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IV

APEC To Hold Ministerial Conference 10-11 Sep

'New Phase' of Scope, Outlook Viewed

BK0709051092 Bangkok THE NATION in English 7 Sep 92 pp A1, A2

[Text] The Asia-Pacific Economic Cooperation (APEC) forum appears headed for a decisive turn this week when its 15 members assemble in Bangkok for their fourth ministerial meeting, starting with a meeting of senior officials today.

Top ministers from Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States are meeting at a time when the world trading system faces a most uncertain era.

The Sept 10-11 ministerial forum at the Shangri-La Hotel, besides providing the local hotel industry with a welcome monetary reprieve from the effects of the May crisis, will be Prime Minister Anan Panyarachun's last opportunity to shine in the international spotlight before Sunday's general election.

In its first two years, APEC was decidedly a forum for general consultative dialogue but profound changes in the international trade and investment climate during the last two years seem to have ushered in a new phase for APEC's scope and outlook. It is edging increasingly towards being a vehicle for regional trade liberalization against a backdrop of increasing protectionism elsewhere.

Persistent difficulties in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) provided an impetus for APEC members to tilt their dialogue toward trade "liberalization" issues, which were officially endorsed as a central policy goal at the second ministerial meeting in Singapore.

"We think the time is appropriate for APEC to have a secretariat that has a budget and a staff," said a senior Australian official, referring to the increasing importance of the 15-nation body.

Homeless when it was born as a loose consultative body in 1989, APEC's decision to establish a permanent headquarters is widely considered as a crucial step in its attempts to deal with trade disagreements and to promote closer links among members in such sectors as telecommunications and energy.

The establishment of a permanent secretariat partly signifies that "APEC's here to stay," a senior American trade official said.

APEC's promising trends already have prompted questions on the likelihood of it becoming another giant trading bloc like the European Community and the North American Free Trade Area [as published] (NAFTA).

Nonetheless, APEC's top-level ministers are expected to enter their fourth ministerial gathering here with a wide-ranging agenda reflecting each member's position in a new international economic order.

Apart from the secretariat, other issues expected to be on the agenda include the possible admission of new members and the progress of APEC's sectoral projects.

In addition to these common issues, however, each member is expected to carry another different set of goals tailored specifically to its own needs.

Thailand, for example, wants to learn more from Canada and the United States about NAFTA. Bangkok and its ASEAN partners, which are forming a free trade zone, do not want to see APEC become another trade bloc or a trade negotiation forum that could become a tool of the larger APEC economies like the United States.

"APEC is a forum not for negotiations, but for Thailand or ASEAN to talk with Japan and the United States, said Wetchachiwa, permanent secretary for foreign affairs.

Still, Australia comes to town with an ambitious menu. With its commercial ties with the British Commonwealth loosened, it is said to be undergoing an identity crisis. A country of white Anglo-Saxon descendants, Australia is decidedly Asian in its economic orientation.

Australia reportedly wants to nudge APEC's consultative forum towards becoming a Regional Trade Liberalization (RTL) vehicle, through which it could become fully integrated in the world's fastest growing region. To demonstrate a firm commitment to APEC, the Australian delegation is bringing its top two ministers for Trade and Foreign Affairs.

Senior Australian officials, who requested anonymity, said in addition to focusing on RTL and other common concerns, Australia "wants (APEC) to be a more forward-looking 'institution' with a policy-oriented direction that can set the regional trade agenda for the 1990s."

ASEAN may be less enthusiastic on RTL issues. With its ASEAN Free Trade Area, ASEAN members have long been wary of being overwhelmed by the group's heavier members.

The United States, fresh from concluding the NAFTA agreement, wants APEC to become a "force" in the international economy. At the same time, the US delegation is urging APEC members to strenuously push for a successful conclusion of the Uruguay Round by the end of the year.

Unlike Australia's, the US team is arriving without its top trade representative, secretary of state or secretary of commerce. The US delegation includes several deputies and deputy assistants but no full secretary.

Asked if the decision of US Trade Representative Carla Hills to attend her daughter's wedding instead of the

APEC meeting mirrors US priorities, a senior American official vehemently cautioned against drawing such a conclusion.

"It would be a mistake to evaluate the US position by the attendance or non-attendance of any one individual," said the official.

However, another American official later confided that Hills may be tired from hammering out NAFTA and may be resting before the final session on the Uruguay Round.

While APEC convenes this week, "there happen to be other things taking place around the same time," said the source.

The United States is keen to see APEC make progress in facilitating customs harmonization, a transparent investment regime, the exchange of tariff data and administrative measures. All four proposals are designed to forge closer economic cooperation among APEC members.

The American delegation is also expected to be engaged in separate bilateral talks with a number of APEC members. Outstanding trade disputes with Japan over market access and with China over conditional most-favoured-nation status are to receive attention. Thailand is considering revocation of a 1966 Treaty of Amity and Economic Relations with the United States.

This APEC meeting is also going to be Taiwan's first major international exposure since it was snookered by the China-South Korea normalization of relations.

South Korea, on the other hand, is known to want to seat the secretariat. As it is without membership in a free trade area such as that of ASEAN countries and the United States and Canada, analysts speculate that South Korea may push harder for the APEC secretariat.

China is expected to play an active role in the APEC talks. Known for having pursued vigorous economic reforms since being ostracized after the Tiananmen crackdown, it is likely to want a piece of any APEC action on further trade and investment cooperation.

Japan has yet to play its cards. The Japanese government has been trying in the past few months to revive its stagnant economy and troubled financial market.

Analysts do not expect Hong Kong to stay quiet either, given the 1997 deadline for the return of the British colony to China.

Conference Previewed

SK0909004792 Seoul YONHAP in English 2338 GMT 8 Sep 92

[Text] Bangkok, Sept. 9 (YONHAP)—South Korea's attempt to induce an international organization to set up its headquarters in Seoul failed Tuesday when the Asia-Pacific Economic Cooperation (APEC) decided to establish its secretariat in Singapore or Bangkok. The decision, tentatively reached at APEC working-level meetings held here Monday and Tuesday, will be finalized Wednesday, according to a South Korean delegate.

The fourth ministerial conference will be held Thursday and Friday. APEC consists of six Association of Southeast Asian Nations (ASEAN), Australia, Canada, China, Japan, New Zealand, Taiwan, Hong Kong, South Korea and the United States.

The working-level meetings also decided that the United States and Japan each shoulder 18 percent of the total fund for the organization which was set at 2 million U.S. dollars in 1993. Canada, Australia and China will contribute nine to 11 percent.

South Korea and Taiwan will provide 6.25 percent each while most ASEAN countries will chip in 2.75 percent, the official said.

In addition, the meetings discussed four short-term action plans for achieving trade liberalization in the region. They are on harmonization of tariff data and customs procedures, administrative aspects of market access and publication on investment regulations of member countries, the official said.

The member countries agreed that the action plans should be put into practice before the conclusion of Uruguay Round of multilateral trade negotiations, he said.

They also decided to consider clarifying their positions on the multilateral trade negotiations in a joint statement to be issued at the end of the ministerial meeting or in a separate statement, the official said.

The United States and Canada are expected to make a briefing to the meeting on their North American Free Trade Agreement (NAFTA). U.S. and Canadian officials who took part in the negotiations for the NAFTA agreement will participate in the briefing through a satellite hookup, he said.

South Korean Foreign Minister Yi Sang-ok who arrived here Tuesday is to make a keynote speech on the first day of the conference on Thursday.

Yi will also have talks with foreign ministers of several APEC countries including Australia during his stay. He will not hold talks with his Chinese counterpart Qian Qichen this time, the official said.

Japan To Issue 'Strong Warning' on NAFTA

OW0709053992 Tokyo KYODO in English 0517 GMT 7 Sep 92

[Text] Kuala Lumpur, Sept. 7 KYODO—Japan will issue a "strong warning" on the recently concluded North American Free Trade Agreement (NAFTA) at an upcoming meeting of Pacific rim countries, Japan's trade minister said Monday.

International Trade and Industry Minister Kozo Watanabe made the remark after meeting Malaysian International Trade and Industry Minister Rafidah Aziz.

"We were able to agree to give a strong warning to the NAFTA developments. We will express our opposition to regionalism and protectionism in all cases," he told reporters after the hour-long meeting with Rafidah.

Watanabe is in Malaysia on a four-day visit en route to the Asia-Pacific Economic Cooperation (APEC) meeting in Bangkok on Thursday. The 15-nation grouping includes the United States and Canada, which, together with Mexico, reached the NAFTA accord.

Malaysia has criticized the NAFTA pact as demonstrating the "double standards" of the U.S. in light of its opposition to the Malaysian-proposed East Asia Economic Caucus (EAEC) which it terms a "trading bloc."

In the face of strong U.S. opposition, Japan has yet to decide its stand on the EAEC. Watanabe on Monday avoided making any direct comment on the proposed grouping.

Asked whether the EAEC was discussed in his meeting with Rafidah, he said, "we discussed the future of Asia from a broader perspective, including all of these matters."

Watanabe said he agreed with Rafidah that Asian countries need to band together to further economic liberalization and promote robust growth, but stressed he was not referring to the EAEC.

Such discussions can take place in the annual economic meeting between the six-nation association of Southeast Asian nations and their major trade partners, including Japan, he added.

Watanabe also said Japan will call for a speedy conclusion to the Uruguay Round of multilateral trade negotiations, which have been stalled chiefly by a dispute between the U.S. and the European Community on trade subsidies.

Referring to bilateral trade cooperation with Malaysia, Watanabe said he discussed creating more investment incentives for Japanese companies, developing support industries, and improving technical cooperation.

Japan is the second-largest foreign investor in Malaysia since being overtaken by Taiwan in 1990.

Watanabe was scheduled later to visit the Proton factory producing the Malaysian national car in a joint venture with Mitsubishi Motors Corp., and a Matsushita group plant in Shah Alam on the outskirts of Kuala Lumpur.

Japan Cautious on Expanding APEC Membership

OW0809145292 Tokyo KYODO in English 1413 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Japan looks favorably upon the future membership of Mexico and other countries in the Asia-Pacific Economic Cooperation (APEC) forum, Foreign Ministry officials said Tuesday.

But the officials, who spoke on condition of anonymity, said it would put too much of a strain on APEC's ability to function effectively if the grouping were to accept all 10 countries now on a waiting list to join it.

The applicants are Argentina, Ecuador, Chile, India, Mexico, Mongolia, Pakistan, Papua New Guinea, Peru, and Russia.

Future expansion of APEC is on the agenda of the forum's fourth ministerial meeting in Bangkok starting Thursday.

Apec now consists of Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand, and the United States.

"If we want to pursue APEC in an effective manner, 25 members is too much," said one official.

The official said the forum's current priority is to "digest" the three Chinese economies added last year.

"Consolidation of APEC should be given priority for the moment," echoed another official.

The official said Mexico is an especially promising candidate owing to strong U.S. and Canadian support in view of the recently concluded North American Free Trade Agreement (NAFTA).

Considering that the fifth APEC ministerial meeting will be held in the U.S., Mexico's membership may very well be agreed upon before then by senior APEC officials, he said.

"APEC is not a closed system—it should be open to the economies that have strong economic links within this region," the official said.

On the prospect of the three Indochinese countries being included in the APEC process, the official said that while it may be in the minds of some countries it has not been raised in the senior officials' talks yet.

"The most logical line of reasoning would be that such a question would first be raised in the Association of Southeast Asian Nations (ASEAN)," he said. "Those Indochinese countries would probably first be encouraged to involve themsleves in the ASEAN process."

The official said an APEC free trade arrangement may also be in the mind of some people, but "has not been discussed at all in the whole process."

He noted, however, that South Korean President No Tae-u suggested in a speech last year that in the long run APEC should explore the possibility of region-wide free trade arrangement.

Mahathir Opposes Formal APEC Secretariat

BK0809150092 Kuala Lumpur Radio Malaysia Network in Malay 1430 GMT 8 Sep 92

[Text] Datuk Sri Dr. Mahathir said Malaysia is against any move to set up a form of secretariat for the Asia-Pacific Economic Cooperation, APEC. He said Malaysia was, however, agreeable to the establishment of a coordinating body.

The move to have a form of secretariat was extensively discussed by the APEC senior officials meeting in Bangkok. Datuk Sri Dr. Mahathir was asked to comment on the talks among the officials who were also thinking of having an ASEAN country to host the secretariat.

He said Malaysia does not want to formalize APEC. That is Malaysia's view. The prime minister was talking to correspondents after attending a dialogue session at the national seminar on the United Nations' Conference on Environment and Development, UNCED, at Bank Negera [Central Bank] in Kuala Lumpur.

No Progress on APEC Secretariat Site Issue

BK0809035092 Bangkok THE NATION in English 8 Sep 92 p A2

[Text] Talks over the site for the secretariat of the Asia-Pacific Cooperation (APEC) organization fell through yesterday as Thailand, Singapore, Indonesia and South Korea plunged into a fierce round of bidding that saw no clear candidate emerge.

Following all day lobbying inside and outside APEC's senior official meeting, it was decided that each member country would be asked to voice its support for one of the competing countries.

Emerging from the conference room after the meeting, Foreign Ministry Permanent Secretary Witthaya Wetchachiwa, who chaired the meeting, said the majority of APEC members agreed to a Thai proposal that they resort to talking among themselves to reach a compromise on the host country in order to bring the contentious issue to an end.

"I am happy that we've found the right approach," he said. "If we can adopt the correct approach, it does matter so much if we win or lose." [as published]

It's expected that APEC members will reach a decision today on the site of the secretariat, the existence of which will mark a fresh chapter of the 15-nation organization becoming an institution.

"Tomorrow, if there are no problems, I think we can achieve a result," Witthaya said.

But if the members fail to produce a clear-cut winner, the matter will be brought to the full APEC ministerial meeting for final deliberation on Sept 10-11.

Yesterday APEC's senior official meeting began with preparations being made for procedures and final reports for the economic and foreign ministers meeting later this week. The main agenda yesterday consisted of the election of the secretariat, staff, budget and funding formula.

APEC's main objectives are to promote cooperation in trade, investment, transfer of technology and human resource development, to reduce obstacles to trade and support the multilateral trading system, and to engage in consultation and exchange of views on economic matters among the Pacific Rim members.

APEC consists of the United States, Canada, Japan, China, South Korea, Taiwan, Hong Kong, Australia, New Zealand and the six-nation Association of Southeast Asian Nations.

According to delegates, the four contenders for the secretariat offered comparably good conditions ranging from facilities, satellite discs, to diplomatic immunity.

Thailand, Singapore and Indonesia expressed equally strong intention to house the secretariat, though they reportedly favoured it being sited within ASEAN.

Thailand's argument, according to a high-ranking member of the Thai delegation, is that Bangkok provides lower cost-of-living than either Seoul, Singapore or Indonesia.

"We also have UN organizations here, and they could be easily linked to the APEC secretariat," the Thai delegate added.

Singaporean delegates said the island state had the most adequate infrastructure for the secretariat. In addition, they argued, Singapore already hosts the Pacific Economic Cooperation Conference, a non-governmental research forum among academics, the public and private sectors.

In the absence of ASEAN consensus, Singapore wants to have a secret ballot, said a Singaporean delegate. Alternatively, the Singaporean official said, his delegation may ask for an "honest broker" among APEC members to settle the issue among the four contenders.

If no ASEAN consensus emerges, Thai delegates preferred the secret ballot to be done among at the ministerial level among the 15 APEC members.

Indonesian officials made their case based on Jakarta's location of the ASEAN secretariat. Having the same home for ASEAN and APEC would be logical and would promote linkages between the two bodies, according to Indonesian delegates.

South Korea proposed to construct a new building for the secretariat if Seoul is picked as the site.

Korean delegates also argued that, since Seoul does not host any major international organization, the APEC secretariat could become their first channel to contributing to the region, according to US officials at the meeting.

It was previously suggested the secretariat be located in an ASEAN capital to denote the vital regional role played by the ASEAN members—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

That indicated an ASEAN consensus as to which of the six capitals would provide APEC's headquarters. By the end of yesterday, however, no such consensus had emerged among the ASEAN members.

Apart from the issue of the location, the senior officials did succeed in working out the size of the initial budget for the secretariat, its staff size and procedures for selecting its executive director.

The United States and Australia shared the same position that the budget for the first year should not exceed US$2 million, most of which will go to setting up the secretariat which will comprise seven permanent staff and one or two executive positions.

In at least the first year, the APEC executive director will be selected by secondment under which someone from the host country of the annual APEC meeting will serve in the post. Since the United States will host next year's APEC meeting, it will appoint an American to head the secretariat.

APEC Officials Agree on Secretariat Mechanism

OW0909120392 Tokyo KYODO in English 1143 GMT 9 Sep 92

[Text] Bangkok, Sept. 9 KYODO—Senior officials from the Asia-Pacific Economic Cooperation (APEC) group have agreed on the details of a support mechanism but not on the location of a permanent secretariat, APEC sources said Wednesday.

The agreement calls for Japan and the United States, the richest of APEC's 15 members, to contribute 18 percent each of an APEC budget—a maximum 2 million dollars in the first year—to run the proposed secretariat and 10 cooperation programs.

Canada is to contribute 12.25 percent, China 9.5 percent, Australia 9 percent, and South Korea and Taiwan 6.25 percent each.

At the lower end of the list are most of the six members of the Association of Southeast Asian Nations (ASEAN) which will each cover 2.5 percent of the cost. They include Thailand, host to APEC's two-day ministerial meeting opening Thursday.

The size of contributions is based mainly on each member's economic output but also on other factors, including the level of development, the sources said.

The secretariat will have an executive director, a deputy, and several professional staffers but the total staff will be kept to less than 10 to avoid creating another costly international bureaucracy, they said.

APEC, inaugurated in Canberra at Australia's initiative in 1989 as a loose forum for trade and economic cooperation, has so far rotated its secretariat among the host countries of annual meetings.

But Thailand and Singapore are still vying to host the secretariat permanently, with Japan and Brunei sounding out other members as mediators in an effort to reach a consensus, the sources said.

The APEC meeting will issue a declaration on these institutional arrangements in addition to a joint statement summarizing discussions, they said.

APEC officials, preparing for the meeting, have also agreed to set up a group of several eminent persons to establish a blueprint for the three-year-old group's role in regional trade up to the year 2000, they added.

APEC Compiling Trade, Investment Data on Members

BK0809084192 Bangkok BANGKOK POST in English 8 Sep 92 p 18

[Text] Compiling trade and investment data on the APEC [Asia-Pacific Economic Cooperation] members is a technical problem that, once overcome, could have concrete benefits.

Thai officials say the availability of import and export data from other members would help the country analyse trends affecting the trade balance and investment.

The data would also be useful for preparing Thailand's position in trade negotiations, they say.

APEC members "shepherding" the Review of Trade and Investment Data programme are the United States, Japan and Singapore. Thailand is an interested participant.

So far a preliminary inventory of merchandise trade data has been developed. But investment flows and data on services trade are much more difficult to compile. Officials are still at the stage of assessing the difficulties in achieving data that can be compared from one country to another.

One problem is whether translating everything into US dollars is a suitable method of comparing data from different countries. Assessing services is also notoriously difficult.

Various methods are being discussed, such as the United Nations' definitions for economic statistics, or those of the International Monetary Fund, officials say.

APEC is not the only organisation that is trying to compile information that can be used to compare trade, investment and services business in various countries.

The Organisation for Economic Cooperation and Development (OECD), the 24-member club of industrialised nations, and the General Agreement on Tariffs and Trade (GATT), are two international agencies also trying to make trade figures more transparent.

This APEC work programme is therefore progressing, "but at the same time, similar activities have been undertaken elsewhere," a Japanese official comments .

Ultimately the information should be made available on computer discs and tapes or through on-line systems.

The Thai agency handling this work programme is the Commerce Ministry's Business Economics Department.

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Japan

Nuclear Safety Note Exchange With Russia Agreed

OW0309151592 Tokyo KYODO in English 1314 GMT 3 Sep 92

[Text] Tokyo, sept. 3 KYODO—Japan and Russia have basically agreed to exchange a note on Japan's support for enhancing the safety of Russian nuclear power plants when Russian President Boris Yeltsin visits Japan in mid-September, government sources said Thursday.

The agreement calls for Japan to help construct a nuclear operation technical center and install two accident-sensor systems in Russia as well as receive nuclear engineering trainees from Russia, the sources said.

Japan will carry out the plan under the framework of its grant of 25 million dollars for emergency safety measures to nuclear power plants in the former Soviet Union and Eastern Europe.

The agreement on the framework was reached at the July summit meeting of the Group of Seven leading industrial nations in Munich.

Business Group Leader Welcomes Visit by Yeltsin

OW0709102592 Tokyo KYODO in English 0933 GMT 7 Sep 92

[Text] Tokyo, Sept. 7 KYODO—The head of Japan's most powerful business organization welcomed Monday a scheduled visit to Japan by Russian President Boris Yeltsin next week as favorable to the settlement of a territorial dispute between the two countries.

"His trip itself is a step forward, although tough bargaining is anticipated (in negotiations on the territorial issue)," Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said at a news conference.

"You must think that his visit will pave the way for the next step," although little progress is expected in the territorial negotiations, he added.

Yeltsin is scheduled to arrive in Tokyo September 13 for a four-day visit focusing on talks with Prime Minister Kiichi Miyazawa over the decades-old dispute over Japan's claim to four Russian-held islands off Hokkaido.

Hiraiwa said Yeltsin faces a worsening domestic situation caused by the strengthening force of conservatives.

Commenting on a major current domestic issue, Hiraiwa said he favored a proposal to establish a real estate purchasing institution to help ease the debt burden of housing loan companies and nonbank firms, provided that financial institutions give priority to self-help efforts.

Comment on Taking Territorial Dispute to Court

OW0809142392 Tokyo KYODO in English 1339 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Russia cannot refer its territorial dispute with Japan to The Hague-based International Court of Justice for a binding settlement without Japan's consent, a Foreign Ministry spokesman said Tuesday.

Spokesman Masamichi Hanabusa told foreign correspondents that Russia cannot unilaterally bring the dispute before the so-called World Court because, unlike Japan, it has not accepted the court's "compulsory jurisdiction."

Hanabusa said that under existing World Court statutes, as long as Russia has not formally accepted the court's jurisdiction, the matter could only be taken before the court if both parties agreed to do so.

Japan, which is contesting Russia's occupation of four islands north of Hokkaido seized by Soviet troops at the end of World War II, is adamant that the dispute be resolved through bilateral negotiations, entailing a "political decision" on the part of Russia to recognize Japanese sovereignty.

But Russian Foreign Ministry officials and some Russian scholars have in recent months suggested the dispute could be referred to the world court if bilateral negotiations fail.

Speculation has surfaced that such a proposal may be among the 14 proposals Russian President Boris Yeltsin says he is considering in advance of his visit to Japan from Sunday.

Hanabusa emphasized the general practice is that bilateral problems should only be taken before the World Court as a measure of "last resort."

"We would like to solve this issue between ourselves, through amicable negotiations, and it is our understanding that that is also the position of the Russian Government," the spokesman said.

"We don't have any indication whatsoever, officially, from the Russian side that they might wish to go to the International Court of Justice," he said.

Hanabusa noted that Japan had earlier suggested the matter be entrusted to the World Court when the then-Soviet Union had refused to acknowledge the existence of a bilateral territorial dispute. At that time, "their answer was negative," he said.

In recent months, Russian Deputy Foreign Minister Georgy Kunadze and Russian Foreign Ministry Spokesman Sergey Yastrzhembsky said that they would not rule out the court as a means to end the decades-old dispute.

But a top Japanese Foreign Ministry source in August rejected the idea saying "the correctness of Japan's position is already clear," adding the dispute could remain bound up in the court for decades.

According to Haruki Wada and Greogory Clark, two noted scholars here specializing in the territorial dispute, Japan fears that if it were to go to the World Court it would lose the case due to the shaky foundation for its claims to the two islands of Kunashiri and Etorofu.

They said that while Russia is obligated to return two smaller islands to Japan in keeping with a 1956 pledge by the former Soviet Union, the Japanese Government renounced all claims to Kunashiri and Etorofu at a 1951 San Fransisco Peace Conference and soon after confirmed that fact unequivocally in the Diet.

Defense Issues Said on Agenda for Yeltsin Visit

OW0909082592 Tokyo KYODO in English 0806 GMT 9 Sep 92

[Text] Tokyo, Sept. 9 KYODO—Japan hopes to discuss the withdrawal of Russian troops from disputed islands off Hokkaido during Russian President Boris Yeltsin's visit next week, top government spokesman Koichi Kato said Wednesday.

"We would like to have frank discussions on the strategic importance of the islands, and when Russia is going to complete its promised withdrawal of troops," Chief Cabinet Secretary Kato told a news conference.

Defense Agency Chief Sohei Miyashita and Russian Defense Minister Pavel Grachev will meet Monday in the first tete-a-tete between the defense chiefs of the two countries.

Yeltsin indicated in an interview last month that he is ready to sign an agreement on the troop withdrawal during his September 13-16 visit to Tokyo. But he has made conflicting statements on the timetable.

In the interview, he said troops could be removed by mid-1995, almost a year after the 1993-94 timeframe he pledged in a meeting with Foreign Minister Michio Watanabe in May.

According to Russian military documents, there are about 7,000 Russian troops and 430 naval personnel stationed on the islands of Kunashiri, Etorofu, Shikotan and the Habomai group.

Japan is demanding that the islands, seized by the Soviet Red Army at the close of World War II, be recognized as part of Japan before it concludes a peace treaty with Russia or extends it major economic assistance.

Russian military leaders fear that if the islands are turned over to Japan, the Russian fleet in the Sea of Okhotsk will no longer have access to the Pacific Ocean.

Former Premier Interviewed on Yeltsin's Visit

OW0909124292 Tokyo KYODO in English 1230 GMT 9 Sep 92

[Text] Tokyo, Sept. 9 KYODO—Former Prime Minister Toshiki Kaifu said Wednesday that talks during Russian President Boris Yeltsin's visit next week will be successful if summit talks are based on a 1991 joint Russian-Japanese statement.

During an exclusive interview with KYODO News Service, Kaifu said former Soviet President Mikhail Gorbachev acknowledged in the joint statement the existence of the territorial dispute between Tokyo and Moscow when he visited Japan in April last year.

Kaifu held summit talks with Gorbachev as prime minister.

"The joint Japan-Soviet statement mentioned that all four islands—the Habomai group of isles, Shikotan, Kunashiri, and Etorofu—are disputed islands. It also said both countries should take account of all positive elements that have accumulated since the 1956 Japan-Soviet Joint Declaration and that it is necessary to speed up negotiations for concluding a peace treaty," Kaifu said.

The former Soviet Union agreed in the 1956 Joint Declaration it will return two smaller islands, the Habomai group of isles and Shikotan, to Japan after concluding a peace treaty.

Kaifu said he thought last year's joint statement will be a basis for summit talks between Prime Minister Kiichi Miyazawa and Yeltsin, who visits Japan from September 13 to 16.

"I have big expectations (for the visit) as the president (Yeltsin) has said he would speed up his five-stage solution (to the territorial issue) because he recognized it is important to proceed with relations with Japan in line with the joint statement," Kaifu said.

Kaifu said that when he telephoned Yeltsin during the coup-d'etat in August 1991, Yeltsin said he would be the first to acknowledge the existence of the dispute over the islands, which Japan calls its northern territories.

He said the proposals Yeltsin is expected to bring with him next week must include a resolution of the issue based on law and justice, thus acknowledging Japanese sovereignty over the islands.

"The documents must openly admit that (the occupation of the northern territories) was an error of Stalinist expansionism," Kaifu said.

"I have strong hopes that we will be successful, if we revive the spirit of the 1991 joint statement and base the negotiations on our accumulated experience in foreign policy," Kaifu said.

NHK Polls Voters on Territorial Issue, Aid

OW0909140792 Tokyo NHK General Television Network in Japanese 1000 GMT 9 Sep 92

[From "NHK News" program]

[Text] According to the results of an NHK opinion poll, 62 percent of those polled said that no progress will be made on the northern territories issue when President Yeltsin visits Japan. NHK conducted a nationwide opinion poll 5-6 September surveying 1,800 voters age 20 or above—1,260 responded.

Asked if any progress will be made on the northern territories issue when President Yeltsin visits Japan, 31 percent of the respondents said that major progress or some progress will be made on the issue when the Russian president visits Japan, while 61 percent of those surveyed replied that no or little progress will be made on the issue. Compared with the results of an opinion poll conducted shortly before former President Gorbachev visited Japan last year, the number of voters who are pessimistic about the solution of the northern territories issue has grown.

Asked about Japan's economic assistance to the former Soviet Union, 33 percent said that Japan's economic assistance should be postponed until the former Soviet Union completes its preparations to receive the assistance from Japan, while 31 percent maintained that Japan's economic assistance should be held up until the northern territories issue is resolved. In this way, 70 percent of those polled said that Japan should deal cautiously with its economic assistance to the former Soviet Union.

With respect to the dispatch of the Self-Defense Forces [SDF] to Cambodia for participation in UN Peacekeeping Operations [PKO] there, 43 percent supported their dispatch, exceeding the percentage who opposed their dispatch. On the scope of SDF activities in Cambodia, 14 percent said that the SDF should be engaged only in cease-fire oversight activities which do not require the SDF to carry weapons, while 55 percent said that activities of the SDF in Cambodia should be confined to road repair and medical services, without participation in military activities.

Asked about the emperor's visit to China next month, 66 percent of those surveyed supported his visit to China, while 10 percent opposed his visit to that country. Asked about his remarks on Japan's wartime atrocities in China, to be made during his stay in China, 41 percent said that the emperor should make remarks apologizing anew for Japan's responsibility for the war, while 39 percent said that the emperor does not need to apologize since Japan's responsibility for the war has been settled between Japan and China.

Russia's Yeltsin Reportedly Postponing Visit

OW0909125092 Tokyo KYODO in English 1240 GMT 9 Sep 92

[Text] Moscow, Sept. 9 KYODO—Russian President Boris Yeltsin appears to be postponing his visit to Japan scheduled for September 13 to 16, the INTERFAX news agency reported Wednesday.

INTERFAX reported this by quoting a Japanese source.

But Hiroshi Shigeta, minister at the Japanese Embassy in Moscow, told KYODO News Service he has heard nothing of a postponement.

Ministry Official Confirms Report

OW0909130392 Tokyo KYODO in English 1258 GMT 9 Sep 92

[Text] Moscow, Sept. 9 KYODO—A high-ranking Russian Foreign Ministry official confirmed Wednesday that President Boris Yeltsin has decided to postpone his visit to Japan which was to start Sunday, informed sources said.

Yeltsin was to telephone Japanese Prime Minister Kiichi Miyazawa Wednesday night. Word is spreading in Moscow that Yeltsin has postponed his visit to Japan until December. No reason was immediately given for the postponement.

An executive of the INTERFAX News Agency told KYODO News Service that the postponement of Yeltsin's visit would be announced soon.

The postponement was decided at Wednesday's meeting of Russia's highest decision-making body, the Security Council, INTERFAX said.

INTERFAX also reported Yeltsin's visit to South Korea planned for September after his Japan visit will take place in December as a leg of his trip to China.

Yeltsin Press Secretary Comments

OW0909143292 Tokyo KYODO in English 1424 GMT 9 Sep 92

[Text] Moscow, Sept. 9 KYODO—A high-ranking Russian Foreign Ministry official confirmed Wednesday that President Boris Yeltsin has decided to postpone his four-day tour of Japan which was set to begin Sunday, informed sources said.

No reason for the postponement was immediately available.

The postponement was decided on at Wednesday's meeting of Russia's highest decision-making body, the Security Council, the INTERFAX news agency reported.

The decision came after the sudden cancellation of Yeltsin's news conference about his trip to Japan. The press conference was to have started at 9 P.M. Japan time.

Presidential Press Secretary Vyacheslav Kostikov said Yeltsin could not attend the press conference because of "a certain difficulty" at the Security Council meeting which kept him from leaving.

The postponement may have followed strong arguments at the Security Council meeting against any concessions to Japan on a decades-old territorial dispute, observers said.

Participants in the Security Council meeting included such outspoken politicians on the territorial row as Vice President Aleksandr Rutskoy and Defense Minister Pavel Grachev.

INTERFAX, quoting reliable sources, also said it has not been decided when the postponed trip to Japan would take place. It did, however, say Yeltsin's trip to South Korea, originally planned for September after his Japan visit, will take place in December as a leg of his tour of China.

Yeltsin was to telephone Japanese Prime Minister Kiichi Miyazawa at 11 P.M. [1400 GMT] Japan time.

Finance Official's Reaction

OW0909135692 Tokyo KYODO in English 1349 GMT 9 Sep 92

[Text] Tokyo, Sept. 9 KYODO—A senior official of the Finance Ministry on Wednesday expressed his perplexity at Russian President Boris Yeltsin's reported decision to postpone his visit to Japan, which was to begin Sunday.

The official said the Export-Import Bank of Japan was near to giving the green light to 100 million dollars worth of loans to help bail out the Russian economy.

He had no comment on whether the surprise decision would effect discussions on aid to Russia through the International Monetary Fund (IMF) among top financial officials of the group of seven (G-7) industrialized nations, scheduled late this month in Washington.

Kato Issues Statement on Visit

OW0909154892 Tokyo NHK General Television Network in Japanese 1510 GMT 9 Sep

[Statement issued by Chief Cabinet Secretary Kato at the beginning of a news conference in Tokyo with reporters—live]

[Text] [Video shows Kato seated at table facing unidentified reporters] I would like to issue a statement in connection with the postponement of President Yeltsin's visit to Japan: The Japanese Government has prepared to receive President Yeltsin as a state guest. Just a while ago, however, President Yelstsin called Prime Minister Miyazawa. On the telephone, the president told the prime minister that he was compelled to postpone his planned visit to Japan because of Russia's domestic situation and sought the prime minister's understanding. Mr. Yeltsin will be the first Russian president to visit Japan and the Japanese Government regards his visit to Japan as a step in building new relations between the two countries and sees his visit to Japan as of great significance. The Japanese Government greatly regrets the postponement of his visit to Japan. The Japanese Government hopes the Russian domestic situation, which is said to have caused the postponement of his visit to Japan, will improve at the earliest date.

Nations To Form Panel on Sea of Japan Fisheries

OW0309150092 Tokyo KYODO in English 1433 GMT 3 Sep 92

[Text] Kobe, Sept. 3 KYODO—Japan and three other nations surrounding the Sea of Japan agreed Thursday to set up an international committee in 1994 on protection of the fishery resources of the sea, officials said.

Researchers and officials in charge of fisheries from Japan, Russia, China and South Korea made the decision at a three-day conference sponsored by the Hyogo prefectural government in western Japan.

The four nations also agreed to urge the United States and North Korea to participate in the proposed committee and attend an international forum in 1994 in an effort to protect fishery resources in the sea, the officials said.

Tokyo Offers U.S. 'Token' Hurricane Relief Aid

OW0809110592 Tokyo KYODO in English 1022 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Japan will offer 30,000 dollars in assistance to the hurricane-hit U.S. states of Florida and Louisiana "as a token expression of goodwill and friendship," the Foreign Ministry said Tuesday.

Officials said Japan's pledge of 20,000 dollars for Florida and 10,000 dollars for Louisiana will be formally handed over to the governors of the two states by the local Japanese consul generals.

Hurricane Andrew wracked the southern states August 23 and 24, leaving in its path 24 people dead and 250,000 homeless. Damage cost estimates now run from 10 to 20 billion dollars.

On Monday, Japan offered 50,000 dollars in hurricane relief assistance to the Bahamas, which was also hit by the storm.

Parties Criticize Decision To Send Peacekeepers

OW0809072492 Tokyo KYODO in English 0648 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—The Social Democratic Party (SDP) and the Japanese Communist Party (JCP) on Tuesday voiced strong opposition to the cabinet's decision to send Self-Defense Forces troops to Cambodia, saying the dispatch violated the Constitution and therefore should be canceled.

Sadao Yamahana, secretary general of the SDP, the country's biggest opposition party, said the government did not gain the Japanese people's support for its plan to send more than 1,800 military and civilian personnel abroad to participate in United Nations peacekeeping operations.

Yamahana called on the government to submit the peacekeeping ordinances to the Diet for approval.

JCP Secretariat head Kazuo Shii said the government did not have the right to invoke the Peacekeeping Operations Law, as its preconditions were not met. The law stipulates that before troops can be sent, a ceasefire must be in place, disputing parties must approve of Japanese participation, and the peacekeeping force must be neutral.

Shii said as the Khmer Rouge guerrilla group, one of the four parties involved in a UN-brokered peace agreement for Cambodia, has refused to disarm and repeatedly violated the ceasefire, Japan should not participate in the operations.

Komeito and the Democratic Socialist Party (DSP), which helped the governing Liberal Democratic Party pass the legislation through the Diet, both welcomed the cabinet decision as "a first humanitarian contribution."

Tokyo Welcomes 'Moderate' Views at NAM Summit

OW0709102392 Tokyo KYODO in English 0938 GMT 7 Sep 92

[Text] Tokyo, Sept. 7 KYODO—Japan welcomed Monday the "moderate" positions taken by leaders of the Non-Aligned Movement (NAM), and encouraged greater economic cooperation among developing nations.

"Moderate, constructive dialogue has taken root," Chief Cabinet Secretary Koichi Kato said, commenting on the 108-member NAM summit that closed in Jakarta Sunday.

"We particularly appreciate that, on the economic side, North-South dialogue and boosting South-South cooperation were seen as solutions," Kato told a regular news conference.

The summit rejected use of human rights and environmental issues imposed by industrialized countries as conditions for economic aid, but the statements were generally less abrasive than during the cold war.

Kato declined to comment on the call by some nonaligned leaders to abolish veto rights of the five permanent members of the United Nations Security Council.

"On various occasions in the past we have said that financial and other reforms, including that of the UN Security council, are necessary to strengthen the UN. We maintain the same position," Kato said.

Japan, the UN's second largest donor after the United States, has been quietly urging other countries to support its bid for a permanent seat on the Security Council.

The five members are the victor nations of World War II—the U.S., China, Russia, France and Britain.

NAM Call for Security Council Reform Hailed

OW0709123192 Tokyo KYODO in English 1203 GMT 7 Sep 92

[Excerpt] Tokyo, Sept. 7 KYODO—Japan welcomes the Non-aligned Movement's [NAM] call for reform of the UN Security Council, a top Foreign Ministry official said Monday.

The official, who spoke on condition of anonymity, made the remark following a declaration issued Sunday at the end of the movement's summit in Jakarta calling for reform of the United Nations and the Security Council in particular.

Japan, the second largest financial contributor to the UN after the United States, has made clear its aim of becoming a permanent member of the Security Council, preferably by 1995 when the world body celebrates its 50th anniversary.

Tokyo Views APEC Secretariat Location Issue

OW0709084092 Tokyo KYODO in English 0743 GMT 7 Sep 92

[Text] Tokyo, Sept. 7 KYODO—Japan is prepared to support either Singapore or Thailand in their bids to host the proposed secretariat of the 15-member Asia-Pacific Economic Cooperation (APEC) Forum, Foreign Ministry officials said Monday.

One official said Japan "has no particular preference for one or the other" on the issue and would support any consensus arrived at within the six-member Association of Southeast Asian Nations (ASEAN).

Speaking on condition of anonymity, he noted that while South Korea also wants to host the secretariat, the general understanding is that "a candidate supported by an ASEAN consensus would be the strongest candidate."

"We hope ASEAN can unite and come up with a single candidate," another official said.

Indonesia, another candidate, is reportedly prepared to drop its bid, but Thailand and Singapore are refusing to yield.

ASEAN foreign ministers failed to break the deadlock during talks at the recent Non-aligned Movement summit in Jakarta and reportedly decided to vote Wednesday between Singapore and Thailand.

Last June, senior officials of the four-year-old APEC Forum decided to establish a small secretariat, the site of which is expected to be decided by consensus at the APEC ministerial meeting in Bangkok starting Thursday.

The secretariat is envisaged as coordinating the operations of 12 project groups operating under the APEC umbrella so as to avoid duplication of efforts.

The 10 working groups that have been formally set up cover trade and investment data review, trade promotion, investment and technology transfer, human resources development, maritime pollution and utilization of ocean resources, energy, telecommunications, fisheries, transportation, and tourism.

There are also two informal groups operating—a regional trade liberalization group and an ad hoc economic group.

Officials said the secretariat should be "small and efficient," not remotely comparable in size to the secretariat of the Paris-based Organization on Economic Cooperation and Development (OECD), which has a professional staff of some 500 people.

"Many people are thinking of the future APEC as a kind of Asia-Pacific OECD-type of organization ... but we are thinking of a very modest secretariat of five to seven professionals for the time being," said one official.

APEC includes the six ASEAN members, Japan, South Korea, the United States, Canada, Australia, New Zealand, China, Hong Kong, and Taiwan.

Formal Ties Established With Armenia, Azerbaijan

OW0709113992 Tokyo KYODO in English 1039 GMT 7 Sep 92

[Text] Tokyo, Sept. 7 KYODO—Japan on Monday established diplomatic relations with the former Soviet republics of Armenia and Azerbaijan, the Foreign Ministry announced.

Officials said Japanese diplomats in Moscow met separately with representatives of the two countries there earlier in the day and exchanged related documents.

Japan recognized Armenia and Azerbaijan last December.

The officials said the delay in opening up ties with them was unrelated to their bloody dispute over an Armenian enclave in Azerbaijan.

The officials noted that Japan has now established ties with all 15 former Soviet republics, 11 of which are grouped in the fragmented Commonwealth of Independent States.

Owada Discusses Ties With Cuba's Alarcon 9 Sep

OW0909094592 Tokyo KYODO in English 0923 GMT 9 Sep 92

[Text] Tokyo, Sept. 9 KYODO—Cuba should look to such countries as Vietnam and India to learn how they have adjusted themselves to the post-cold war international order, a top Foreign Ministry official said Wednesday.

Officials said Vice Minister Hisashi Owada made the remarks in talks with Cuban Foreign Minister Ricardo Alarcon.

Alarcon, the first Cuban foreign minister to visit Japan in 10 years, arrived Monday for a four-day unofficial visit en route to Havana from the recent Non-aligned Movement (NAM) Summit in Jakarta.

Officials said Owada hailed the "realistic" trend now prevailing in the NAM, especially in the economic field, since the end of ideological confrontation between the superpowers.

Owada urged Cuba to follow the trend, noting that other countries like Vietnam and India have reviewed their economic policies and are now taking after Japan and other successful free-market Asian economies.

Officials said Owada also urged Cuba to become a party to various nuclear, chemical, and regional arms control agreements.

Noting that Cuba joined Iraq in abstaining on a vote in the United Nations last year for an arms registry, he was quoted as saying "the world has changed, so Cuba should actively join the new processes and not isolate itself like Iraq."

French Trade Minister Meets With Officials

Urges Freer Construction Market

OW0209135092 Tokyo KYODO in English 1323 GMT 2 Sep 92

[Text] Tokyo, Sept. 2 KYODO—Visiting French Industry and Trade Minister Dominique Strauss-Kahn pressed Japan Wednesday to improve foreign access to its allegedly exclusive construction market.

In talks with his Japanese counterpart, International Trade and Industry Minister Kozo Watanabe, Strauss-Kahn cited a case when Japan did not allow a French firm to submit bids on a public works project, officials of the Japanese ministry said.

Watanabe responded that the Japanese construction market is in principle open to every foreign competitor but that there were some "procedural" problems in the particular case mentioned by Strauss-Kahn, the officials said.

The Japanese trade minister promised to convey Strauss-Kahn's complaint to the Construction Ministry, which oversees public works projects.

The French minister also voiced frustrations that French companies are not given as many opportunities to enter the Japanese construction market as Japanese building firms have in the French market.

Japanese real estate and construction firms are active in the French market, he was quoted as saying.

Watanabe asked the French minister to abolish radiological tests required to be made on foods imported from Japan. The French minister also hoped for early solution of the issue after investigation, the officials said.

Strauss-Kahn also said he is hopeful the stalled Uruguay Round of global trade talks will conclude by the end of the year after presidential elections in the United States.

But he indicated the European community (EC) will not make compromises for success of the talks.

He said the EC has made enough concessions to the U.S., and that the round of talks will unravel without compromises from the U.S. side.

The five-year-old talks, held under the sponsorship of the General Agreement on Tariffs and Trade (GATT), have been at a virtual standstill, chiefly due to unresolved disputes over farm trade reform.

Blames U.S. for Stalled Talks

OW0409123092 Tokyo KYODO in English 1143 GMT 4 Sep 92

[Text] Tokyo, Sept. 4 KYODO—Dominique Strauss-Kahn, France's minister for industry and trade, said here Friday that the United States is primarily to blame for the deadlock in the Uruguay round of multilateral trade talks.

The minister, wrapping up a five-day visit to Tokyo, made the charge at a joint press conference with French Labor Minister Martine Aubry.

Strauss-Kahn said the U.S. has refused to budge on questions surrounding farm trade and has also dragged its feet on other issues.

He voiced his frustration with "propaganda" that the European Community (EC), especially France, is blocking progress toward a successful conclusion of the talks under the General Agreement on Tariffs and Trade (GATT).

Dubbing the GATT "general agreement, talks and talks," Stauss-Kahn complained about the lack of attention given to a French proposal that farm trade negotiations proceed in tandem with those on other issues like services and intellectual property.

"We hope the Uruguay round can be concluded as swiftly as possible," he said, adding that such a development would prove enormously beneficial to world trade.

He said the EC has made concessions to the U.S. on farm matters, bringing its common agricultural policy more into line with the spirit of GATT.

It is now up to the U.S. to make compromises in other areas, the French minister said.

Strauss-Kahn also complained that French companies have not received a fair shake in Japan's market, claiming that that GTM International S.A., one of his country's leading construction firms, was not allowed to bid on a Japanese public works project.

While admitting that Japan has worked to improve foreign access to its construction market, he said the Japanese market is now open only to American firms.

Concerning the referendum on EC integration to be held in France later this month, Aubry predicted that French voters will give the proposal a thumbs up.

Indonesia Asks Tokyo To Reduce Plywood Tariffs

OW0909112892 Tokyo KYODO in English 1058 GMT 9 Sep 92

[Text] Tokyo, Sept. 9 KYODO—Indonesian Forestry Minister Hasrul Harahap called on Japan Wednesday to reduce tariffs on plywood to help promote Indonesian exports to Japan, officials said.

The Indonesian minister made the request when he met with Kumao Baba, director general of the Forestry Agency, agency officials said.

In hourlong talks with the top Japanese forestry policymaker, Harahap expressed regrets at moves by some Japanese construction companies and local governments to limit the use of plywood at construction sites to save forest resources, the officials said.

Such moves "run counter to the principle of sustained development of forests under the UN Conference on Environment and Development," the Indonesian minister was quoted as saying.

Baba pointed to Japan's pledge in ongoing global trade talks to lower the tariff on thin plywood to 10 percent from the current 15 percent and on thick plywood to 7.5 percent from the present 10 percent.

"These are limits," Baba was quoted as saying.

On other topics, Baba and Harahap agreed to promote technological cooperation on forestry between the two countries.

Harahap is visiting Japan as a member of a joint forest fact-finding mission from Indonesia and Malaysia.

MITI Minister Leaves for Southeast Asia

OW0309031592 Tokyo KYODO in English 0217 GMT 3 Sep 92

[Text] Tokyo, Sept. 3 KYODO—International Trade and Industry Minister Kozo Watanabe left Japan on Wednesday morning for a visit to the Philippines, Malaysia, and Thailand, Trade Ministry officials said.

Watanabe is to meet high-ranking officials of the three nations before attending the Asia-Pacific Economic Cooperation (APEC) meeting scheduled to be held in Bangkok on September 10 and 11, they said.

SDP To Urge Further Diet Probes in Scandal

OW0409122292 Tokyo KYODO in English 1203 GMT 4 Sep 92

[Text] Tokyo, Sept. 4 KYODO—The Social Democratic Party (SDP) will call for a joint opposition front in efforts to seek an early convocation of an extraordinary Diet session and promote Diet probes of the Tokyo Sagawa Kyubin money scandal, SDP officials said Friday.

The country's No. 1 opposition party will ask two centrist parties, Komeito and the Democratic Socialist Party (DSP), to hold a meeting of their Diet strategists next week, the officials said.

During the previous Diet session, the SDP parted with Komeito and the DSP, which sided the governing Liberal Democratic Party (LDP) in helping pass a law allowing Japan to send troops abroad on United Nations peacekeeping activities.

Prime Minister Kiichi Miyazawa's cabinet and the LDP have been reluctant to convene the Diet quickly because of the widening scandal, the SDP officials said.

The defunct Tokyo Sagawa Kyubin Co., which merged with other regional trucking firms earlier this year into Sagawa Kyubin Co. of Kyoto, is alleged to have provided over 2 billion yen to a dozen politicians.

Last week, LDP kingmaker Shin Kanemaru acknowledged receiving 500 million yen from Tokyo Sagawa and resigned as vice president of the ruling party. On Tuesday, Niigata Governor Kiyoshi Kaneko announced his resignation to assume "political and moral responsibility" for his involvement in the scandal.

Former Prime Minister 'Received' Sagawa Money

OW0609132792 Tokyo KYODO in English 1253 GMT 6 Sep 92

[Text] Tokyo, Sept. 6 KYODO—A former prime minister allegedly received 200 million yen in illegal contributions from former Tokyo Sagawa Kyubin President Hiroyasu Watanabe, informed sources said Sunday.

The sources also revealed Watanabe allegedly gave 500 million yen to the late head of a faction in the ruling Liberal Democratic Party (LDP) and another 50 million yen to a current cabinet member.

Aides to the officials in question have denied receiving any of the political contributions.

The Tokyo district public prosecutor's office, which is leading the investigation of the trucking firm's contributions to the core of the political world, appears to have received testimony implicating the three individuals.

Watanabe, who has been indicted for aggravated breach of trust, appears now to have provided at least 12 legislators with no less than 2 billion yen in questionable political donations.

The unfolding scandal has already forced the resignation of former LDP Vice President Shin Kanemaru, who allegedly received 500 million yen, and Niigata Gov. Kiyoshi Kaneko, whose election campaign groups are suspected of taking 300 million yen in Sagawa money.

According to the sources, Watanabe allegedly provided the money to the late faction leader and former prime minister in two payments and the cabinet minister received one lump payment.

Most of the contributions were apparently made between 1989 and 1991, but none of them were registered in political funds reports.

The money is very likely in conflict with the Political Funds Control Law and investigators of the prosecutor's office are checking the times and locations mentioned in Watanabe's testimony.

Watanabe has said he presented 500 million to an aide of Kanemaru and 300 million yen to the Kaneko camp for the 1989 gubernatorial election at the same time.

Kanemaru acknowledged during a press conference to announce his resignation August 27 that he received 500 million from Watanabe before the 1990 House of Representatives elections.

Although the date is different, the amount of the money in question is in agreement with Watanabe's testimony.

The Kaneko camp allegedly received 100 million yen May 10, 1989, and a half month later, 200 million yen from a House of Councillors member who had died and passed the money to Kaneko.

This also agrees with the Watanabe testimony.

In contrast, aides of the former prime minister and current cabinet minister have denied there is any fact to the latest allegations and have denied comment beyond that.

Meanwhile, prosecutors appear ready to formally request Kaneko to appear for questioning on the contributions and allegedly false entries in the funding reports.

The investigators are also considering questioning Kanemaru's secretary over the contributions and are expected to make a decision in the near future.

Prosecutors Question Niigata Governor Kaneko

OW0709050992 Tokyo KYODO in English 0417 GMT 7 Sep 92

[Text] Tokyo, Sept. 7 KYODO—Prosecutors have begun questioning the governor of Niigata Prefecture, Kiyoshi Kaneko, on suspicion that he was involved in making false reports on political donations in connection with the money allegedly offered by a Tokyo trucking company, informed sources said Monday.

The prosecutors suspect that Kaneko was involved in making the false reports on contributions he allegedly received from Tokyo Sagawa Kyubin Co. for his campaign in the 1989 gubernatorial election, the sources said.

Kaneko will be charged with violating the political fund control law if he is found to have been involved in making falsified reports, they said.

The prosecuters quetioned the governor within Niigata Prefecture, the sources said.

Kaneko has been staying at the governor's official residence for the past several days, although he tendered his resignation last Tuesday, saying he was accepting "political and moral responsibility" for "causing disorder" in the prefectural government.

Sources close to Kaneko said the governor may have hidden in the trunk of a car to sneak out of the residence, which is surrounded by reporters.

The prefectural assembly is expected to meet within the next few days to decide whether to formally accept Kaneko's resignation.

Kaneko, 60, reportedly met Kiyoshi Sagawa, founder of Sagawa Kyubin Co., and Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin, several times since February 1989 to ask for financial assistance in the gubernatorial election that year, according to investigations.

Watanabe, 58, and other Tokyo Sagawa Kyubin executives have been indicted on charges of aggravated breach of trust by causing huge losses to the trucking firm through dubious loans and loan guarantees for affiliated concerns.

The debt-ridden Tokyo Sagawa Kyubin was later absorbed into the Sagawa Kyubin group.

Watanabe has told prosecutors he provided 300 million yen to the Kaneko campaign.

Kaneko's election campaign managers reportedly have admitted they received 100 million yen from Tokyo Sagawa Kyubin in May 1989 for the election.

The amount is not listed in Kaneko's financial reports on political donations, whereas a 50 million yen contribution from the Niigata Liberal Democratic Party (LDP) headquarters was registered.

The other 200 million yen is said to have been handed over to a now deceased LDP member of the House of Councillors from Niigata Prefecture, according to investigations.

Kaneko's campaign managers have also indicated that the governor would have known about false reports on the donations.

Under the Political Funds Control Law, a politician is not allowed to (?receive) more than 1.5 million yen in political contributions from a single person in any one year.

Making false reports on political funds is punishable by up to five years imprisonment or a fine of up to 300,000 yen.

Meanwhile, the prosecutors also started to question secretaries of LDP power broker Shin Kanemaru, who has admitted receiving 500 million yen from Tokyo Sagawa Kyubin, the sources said.

Kanemaru, 77, tendered his resignation on August 27 as LDP vice president and said he may resign as leader of the Takeshita faction of the party after admitting he received the money in campaign donations.

He is among about a dozen parliamentarians believed to have received contributions totaling some 2.15 billion yen from Watanabe.

Watanabe reportedly told prosecutors that in June 1989, he provided 500 million yen to Kanemaru as a "fee" for his support of Kaneko in the gubernatorial election.

Kanemaru, however, said he received the money in February 1990.

Cabinet Ministers Deny Receiving Sagawa Money

OW0809065392 Tokyo KYODO in English 0640 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Seventeen cabinet ministers attending Tuesday's session of the House of Councillors' audit committee all denied receiving any political contributions from the scandal-ridden Sagawa Kyubin trucking group.

Many of the ministers admitted being acquainted with or having met Kiyoshi Sagawa, 70, the founder of Sagawa Kyubin Co., and Hiroyasu Watanabe, 58, the former president of the now defunct Tokyo Sagawa Kyubin Co., but denied any further connection.

Prime Minister Kiichi Miyazawa and three cabinet ministers away on overseas business did not attend the committee meeting. Miyazawa's schedule Tuesday morning included a session with ambassador to the United States Takakazu Kuriyama.

At the start of the session, Choei Aita of the Social Democratic Party (SDP) asked the ministers present if any of them had received Sagawa Kyubin money.

Shin Kanemaru, the kingmaker of the Liberal Democratic Party (LDP), who resigned as LDP vice president in late August, has acknowledged receiving 500 million yen from the trucking firm, while Niigata Governor Kiyoshi Kaneko has tendered his resignation over hundreds of millions of yen from Hokuriku Sagawa Kyubin that went unreported as political contributions.

Transport Minister Keiwa Okuda, named by the MAINICHI SHIMBUN newspaper as receiving Sagawa Kyubin money, told the committee he knew Sagawa and Watanabe but denied obtaining corporate or personal contributions from them.

Okuda added that he had already filed a complaint that he had been defamed by the MAINICHI and that he expected justice authorities to clear up the matter.

Foreign Minister Michio Watanabe said Sagawa and Hiroyasu Watanabe were "acquaintances" and he might have received an invitation to one of their parties a while ago, but denied receiving any contributions.

Chief Cabinet Secretary Koichi Kato said, "There were no contributions, but I met Mr. Sagawa last year or maybe a year before that."

Aita pressed Kunihisa Hama, director of the Justice Ministry's criminal affairs bureau, on the investigation of the Sagawa Kyubin money route, but Hama explained he could not say anything detailed since the investigation is still under way.

Tokyo Sagawa Kyubin, which merged with other regional trucking firms into Sagawa Kyubin Co. earlier this year, is suspected of having extended 527.8 billion yen in loans and loan guarantees to 58 corporations and 16 individuals as of July 1991.

Japanese mass media reports say that over 2 billion yen was given to more than 10 politicians in political donations.

Nakasone, Watanabe File Libel Suits Over Sagawa

OW0809133092 Tokyo KYODO in English 1305 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Former Prime Minister Yasuhiro Nakasone and Foreign Minister Michio Watanabe on Tuesday filed libel suits separately with the Tokyo district court against Tokyo Broadcasting Co. (TBS) over its news reports that they received political donations from the scandal-ridden Sagawa Kyubin Trucking Group.

In the suits, Nakasone and Watanabe accused TBS of having damaged their reputation by reporting what they insist is a "fabricated story" in news programs.

Both politicians demanded the private TV station broadcast formal apologies and print apologies in major newspapers.

The TBS reports were aired August 27 on the evening and late night news programs. TBS reported that Hiroyasu Watanabe, former president of the now-defunct Tokyo Sagawa Kyubin Co., told prosecutors that he donated a total of 200 million yen in installments to Nakasone at his office during 1989 to 1991.

Nakasone, insisting he never received the reputed money, said the report badly defamed his reputation.

TBS also reported in the same programs that Sagawa Kyubin's then-president Watanabe visited the office of Michio Watanabe and handed over 100 million yen in a bag to his secretary during late 1990 to 1991.

Foreign Minister Watanabe accused TBS of reporting groundless facts and severely damaging his reputation.

TBS said that it stands by the reports, insisting they were based on accurate and scrupulous reporting.

Tokyo Sagawa Kyubin Co., which merged earlier this year with other regional trucking firms, allegedly provided over 2 billion yen to a dozen politicians.

Watanabe, 58, and other Tokyo Sagawa Kyubin executives have been indicted on charges of aggravated breach of trust by causing huge losses to the trucking company through shady loans and loan guarantees for affiliated firms.

Miyazawa Rules Out Issuing Debt-Covering Bonds

OW0709021692 Tokyo KYODO in English 0147 GMT 7 Sep 92

[Text] Tokyo, Sept. 7 KYODO—Prime Minister Kiichi Miyazawa on Monday reiterated that the government has no intention of issuing debt-financing bonds in fiscal 1993 starting next April.

Asked by reporters about remarks to the contrary made by Toshio Komoto, a faction leader in the ruling Liberal Democratic Party (LDP), Miyazawa said he has no plans to issue such bonds.

Komoto, a former minister of international trade and industry, said Sunday that demands for issuing deficit-covering bonds are growing in the process of compiling a draft budget for the next fiscal year in view of revenue shortfalls due to the sluggish economy.

Chief Cabinet Secretary Koichi Kato, meanwhile, also said the same day that the government has no plan to issue debt-financing bonds in the next fiscal year.

Kato said at a regular press conference that the government's policy remains unchanged to avoid the issuance of such bonds so as not to pass the burden on to later years.

Central Bank Chief Says Economy Remains Weak

OW0809074092 Tokyo KYODO in English 0659 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Tuesday the Japanese economy is not showing any clear signals of turning to a recovery track despite the aggressive monetary easing and fiscal stimulus applied so far.

"The business conditions are still in a painful adjustment phase," Mieno said at an annual meeting of nonlife insurance companies.

The central banker said the economy as a whole is still going through a "slowdown process," pointing to active capital investment adjustments in the manufacturing sector and softening consumer spending.

He said that inventories in many sectors need still more cutting and corporate profits are languishing at low levels.

At the same time, the supply-demand balance of labor has been easing from the earlier tight conditions, and inflation remains tamed, he said.

On the monetary front, money supply growth continues to slow due to sluggish business and the dormant property market, he said.

But, he said, the crawling money supply growth is not putting a big squeeze on corporate fund-raising activities.

Mieno, however, said banks are more cautious now in their lending than they were in the past monetary easing phases. He added that the central bank will keep a close watch on their lending activities and its effects on the economy.

Mieno said the accumulative effects of the monetary easing since July 1991, combined with the fiscal stimulus provided by the government, will ensure that the nation's economy shifts onto a path of noninflationary, sustainable growth.

Budgetary Requests Reported to Cabinet Meeting

OW0809014192 Tokyo KYODO in English 0053 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Finance Minister Tsutomu Hata reported to the cabinet Tuesday [8 September] morning on the details of the ministerial budgetary requests for fiscal 1993, Ministry of Finance (MOF) officials said.

The requests for the general account budget amounted to 77,431.7 billion yen, up 7.2 percent from the initial fiscal 1992 budget.

General operating expenditures, the core of the budget which includes the outlays for public works, social welfare, education, and defense, totaled 40,548.1 billion yen, up 4.8 percent from the previous year.

Ministries and agencies filed their budgetary requests for fiscal 1993 by the end of August in line with the so-called "ceiling" on expenditures set by the MOF.

The Finance Ministry will pare down the requests through negotiations with the ministries before compiling a draft budget by the end of this calendar year.

Debt-servicing costs surged 11.4 percent to 18,325.8 billion yen, amounting to 23.7 percent of the general account budget, while tax grants to local governments picked up 9.4 percent to 17,257.8 billion yen.

Requests for the planned 250 billion yen special outlay for boosting living conditions came to 420.9 billion yen.

Proposals for official development assistance (ODA) increased by some 1.04 trillion yen, up 9.7 percent from the previous year.

The growth rate was larger than the 9.4 percent ceiling on ODA budget requests because some ministries exceeded the limit at the expense of other items.

The requests for the fiscal investments and loan program, known as the second budget, came to 48,563.6 billion yen, up 19.0 percent from the previous year. The program is financed by funds in postal insurance, postal savings and other public funds, and is not included in the general account budget.

EPA Chief Sees No Need for Another Rate Cut

OW0809024492 Tokyo KYODO in English 0234 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Japan's chief economic planner on Tuesday indicated he opposed another discount rate cut.

Speaking to reporters after a regular cabinet meeting, Economic Planning Agency [EPA] head Takeshi Noda said a further reduction in the key rate may adversely affect the nation's economy.

He added that for the government's economic stimulating package, keeping market interest rates lower is more important than any further cuts in the discount rate.

Hata Says Banks 'Can Well Surmount' Crisis

OW0809091292 Tokyo KYODO in English 0809 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Finance Minister Tsutomu Hata reiterated Tuesday his belief that Japan's banking sector can well surmount what he describes as an "unprecedentedly harsh" crisis stemming from the crash of asset prices and growing bad loans.

In his prepared speech at an annual conference of nonlife insurance firms, Hata said financial institutions are faced with tough conditions caused by the sharp decline of prices for real estate and stocks, which have reduced the banks' internal reserves and increased bad loans.

His speech was read by Vice Finance Minister Mamoru Ozaki.

Hata said in the speech, however, the fundamental conditions surrounding the nation's financial system are by far stronger than they were at any time in the past.

Through steady and serious efforts on their own, banks can solve the problems without imposing too heavy a burden on the national economy, he said.

Hata went on to say the current economic slowdown is different from past ones in that the collapse of asset prices has spawned concern about the stability of the financial system.

He noted the recent 10.7 trillion yen package of pump-priming measures, which contains a variety of steps to secure the stability of the financial system and to activate the stock market.

This, coupled with the monetary easing of the past 14 months, will make a great contributen toward achieving noninflationary economic growth led by domestic demand, Hata said.

Hata Expresses View on Land-Buying Corporation

OW0809042492 Tokyo KYODO in English 0245 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Finance Minister Tsutomu Hata on Tuesday indicated the government is not considering giving financial backing to a planned corporation that would buy up the real estate banks are holding as collateral for bad loans.

Hata told a regularly scheduled press conference after the day's cabinet meeting that "banks are independently working out the details of the corporation.

"No debate is going on now in the government over whether or not public funds will be provided for it," he said.

Under the scheme specified in the government's recent economic stimulative package, Japanese banks have been drawing up plans to form a corporation to purchase bad loans or land held as collateral against bad loans from the banks.

Some ruling Liberal Democratic Party (LDP) politicians have urged that public funds be provided to the corporation, but Hata's remarks indicate he does not favor such an idea.

"This is a matter to be independently dealt with by the parties concerned. Otherwise, we will be severely criticized by the people," he said.

Some economic analysts have asked why taxpayers should foot the bill for the mismanagement of banks.

Official Denies Plan To Cut Interest Rates

OW0909095592 Tokyo KYODO in English 0910 GMT 9 Sep 92

[Text] Tokyo, Sept. 9 KYODO—A top-ranking official of the Ministry of Finance (MOF) on Wednesday denied that Japan will cut interest rates in a concerted move following the U.S. monetary easing last week.

The official, who spoke with Japanese reporters on condition of anonymity, said monetary policy decisions should be based on the economic conditions in eech country.

The Federal Reserve Board on Friday last week lowered the Federal Funds Rate by 0.25 percentage point to 3.0 percent.

Market speculation has emerged on the heels of the U.S. rate cut that the Bank of Japan (BOJ) could lower the official discount rate for monetary policy coordination.

"The U.S. reduced the (FF) rate because of its own need," said the MOF official. "That does not mean Japan will follow suit."

The recently announced economic rescue package, which contains 10.7 trillion yen in fiscal spending, "will be enough (to boost the economy) for the time being," he said.

But the official did not rule out the possibility that continued weakness of the Japanese economy might force the central bank's hand into a further cut in the benchmark interest rate.

North Korea

Daily Discusses Peace, DPRK-U.S. Ties

SK0909061292 Pyongyang NODONG SINMUN in Korean 25 Aug 92 p 6

[Article by reporter Yi Sok-yun: "Key Factor for Peace in Asia and World"]

[Text] The great leader Comrade Kim Il-song has taught: Improving the situation in Asia and the Pacific is an urgent problem for promoting the process of alleviating the current overall international situation and for guaranteeing durable peace in the world; and alleviating tensions on the Korean peninsula and guaranteeing peace and security there is an important key in the struggle to improve the regional situation in Asia and the Pacific.

Elucidated in this teaching of the great leader Comrade Kim Il-song is the ideology on the connection between world peace and regional peace and, in particular, the importance of guaranteeing peace on the Korean peninsula to guarantee peace in Asia and the Pacific and peace in the rest of the world.

Peace is mankind's common desire. Only when peace is guaranteed can the popular masses constantly create material and mental assets and successfully build an independent, prosperous new world.

Today, aggression and war do not benefit anyone. It is mankind's common cause to guarantee solid and durable world peace. The role of regional peace in guaranteeing world peace is very great. Mutual relations among countries today have grown incomparably greater than in the past. In particular, in the regions where natural resources are rich and in the regions of strategic military importance, the relationship of interests among countries has become more complicated. This tells us that guaranteeing regional peace is very important for achieving world peace.

At present there is no more important region in the world than the Korean peninsula for achieving regional peace. Historically the Korean peninsula was designated by the big capitalist powers as the bridgehead for their aggression against the Asian continent, and, consequently, the region was a place of struggle among the big powers for expanding their influence.

Choosing to establish the right of domination and control over Asia and the Pacific as its strategy, the United States today has made South Korea its forward strong point to check and control other countries. Proceeding from this, the United States is trying to hinder Korea's reunification and to hold on to South Korea as a colonial and military base. To this end, the United States continues to keep U.S. forces in South Korea.

On the Korean peninsula, the vast armed forces of the North and the South sharply confront each other with the DMZ between. In particular, over 40,000 U.S. troops armed with modern lethal weapons have been deployed in South Korea, and various types of military exercises against the North are being staged everyday. Such a region is in fact hardly seen in other regions of the world. This proves that South Korea has become the most dangerous ignition point of war at present and that war may break out again on the Korean peninsula.

If war occurs again on the Korean peninsula because of the United States, world peace, not to mention regional peace, will face grave danger.

If the tense situation on the Korean peninsula is not eased and if peace and security are not guaranteed, we cannot talk about peace and security in the Asia-Pacific region. Moreover, we cannot even think about world peace and security. Guaranteeing peace on the Korean peninsula is the most imminent demand for improving the situation in the Asia-Pacific region and achieving solid peace in the world.

To guarantee peace on the Korean peninsula, the U.S. forces in South Korea must be withdrawn before everything else. Because the United States occupied South Korea militarily, Korea was divided and South Korea was degraded to a colonial military base. Based on its military occupation of South Korea, the United States is carrying out the most antipopular colonial fascist rule. The United States is strengthening South Korea as an advance base to oppose our Republic and accelerating preparations for a new war to invade the North. The basic barrier blocking our country's reunification is the occupation of South Korea by the U.S. forces. Moreover, the U.S. forces are the constant element increasing the danger of war on the Korean peninsula and disturbing peace. The history from the day the U.S. forces occupied South Korea until now clearly shows that if the U.S. imperialists' aggressive forces remain in South Korea, the country's reunification as well as peace on the Korean peninsula cannot be achieved.

In the past, the United States said that it was stationing U.S. forces in South Korea under the cloak of "deterring" someone's "southward policy," and "obstructing" some kind of "threat to invade the South," and so on. However, in the changed situation, such as today, this kind of excuse can no longer be admissible. There is no justification for the U.S. imperialists' aggressive forces to remain in South Korea. Withdrawing U.S. forces from South Korea is a fundamental condition for achieving peace and reunification on the Korean peninsula and a demand for our era to move toward detente and arms reduction.

Other ways to guarantee peace on the Korean peninsula are to dissolve misunderstanding and mistrust between the North and South and to achieve national reconciliation and unity. By doing so, a favorable environment for the country's reunification can be provided.

Achieving the country's reunification is a fundamental demand for guaranteeing a solid and permanent peace on the Korean peninsula. The country's division not only causes countless misfortune and pains to our nation but is also a source for creating instability and danger on the Korean peninsula and in Asia.

The question of Korean reunification is an urgent task that should be resolved at the earliest possible date in light of national independence and in light of the cause of peace in Asia and the world. To solve this task, it is imperative to sincerely implement the agreement and the joint declaration of denuclearization adopted and effectuated by the North and the South and to improve relations between the DPRK and the United States.

The adoption and effectuation of the North-South agreement and the joint declaration of denuclearization is a new historic event that provides a new milestone on the road to guaranteeing peace on the Korean peninsula and achieving national reunification. Now that these important documents have been adopted and effectuated, what is most important is to establish practical measures for guaranteeing peace on the Korean peninsula and providing the preconditions for the peaceful reunification of the country.

For this end, the South Korean authorities should give up the ideology of relying on foreign forces and make all possible efforts to realize disarmament, withdraw U.S. forces, alleviate tensions, and make the Korean peninsula a nuclear-free peace zone by adhering to the stance of national independence.

Improving DPRK-U.S. relations is very important for guaranteeing durable peace on the Korean peninsula. The United States is the country responsible for the tensions on the Korean peninsula and the division of our nation. Present DPRK-U.S. relations are unequal ones in which the United States continues to enforce its policy of regarding our republic as hostile. U.S. policy toward the DPRK is an outdated policy, which not only runs counter to the flow of history, but also does not accord with the changing situation.

Now that the North-South agreement and the joint declaration of denuclearization of the Korean peninsula have been adopted and effectuated, the United States should respect them, provide circumstances and conditions favorable for their implementation, and should do things conducive to peace on the Korean peninsula and its peaceful reunification. Doing so accords not only with the interests of the American and Korean peoples, but also with the common desire of the people of the world. It will, therefore, also receive welcome from people at home and abroad.

The Korean question is a legacy left over from the Cold War era. That the United States, which has declared "the end of the Cold War" and "the arrival of the era of peace," repeats its old policy toward the DPRK with the old conception of confrontation is anachronistic.

The United States should renounce the old conception and habit of regarding our republic as hostile by adhering to the stand of strength and should rectify its wrong policy toward the DPRK. It should perform its responsibility in solving the Korean question.

If the Korean question is solved and if, consequently, peace is guaranteed on the Korean peninsula and reunification is achieved, a new aspect will surely be created in improving the situation in Asia and the Pacific and in achieving world peace.

U.S. 'Nuclear Submarine Base' Closure Demanded

SK0909104492 Pyongyang KCNA in English 0904 GMT 9 Sep 92

["DPRK Foreign Ministry Demands Removal of U.S. Nuclear Submarine Base in South Korea"—KCNA headline]

[Text] Pyongyang, September 9 (KCNA)—A spokesman for the Ministry of Foreign Affairs of the Democratic People's Republic of Korea in his statement today demands that the United States and the South Korean authorities dismantle the U.S. nuclear submarine base in Chinhae, South Korea, and promptly stop the portcalls of nuclear submarines.

The South Korean magazine MAL, in its September, 1992, issue, carried testimonies of a liaison officer in charge of the management of the U.S. nuclear submarine base and a former translator and liaison officer for technical assistant officer's room of the U.S. forces at the base.

According to them, U.S. nuclear submarines had called on more than 40 occasions by 1982 at this base which was completed in the autumn of 1979 and it is still being used for this purpose.

The Los Angeles-class and Sturgeon-class nuclear submarines frequenting the Chinhae base can be loaded with 12 to 27 nuclear missiles and a 200 kiloton nuclear warhead can be attached to each of them.

The Foreign Ministry spokesman says that for the United States and the South Korean authorities to keep a U.S. nuclear submarine base in South Korea and continue to use it is a grave violation of the joint declaration on the denuclearisation of the Korean peninsula and self-exposes that their call for "mutual nuclear inspection between North and South" is, after all, nothing but a cover to conceal such nuclear bases as the U.S. nuclear submarine base in Chinhae.

The fact disclosed this time naturally gives rise to a doubt about the authenticity of the declaration of the U.S. President Bush on the withdrawal of the tactical nuclear weapons and the "declaration on the absence of nuclear weapons" of the South Korean chief executive.

The United States and the South Korean authorities should take a bold action to dismantle the U.S. nuclear submarine base in Chinhae, South Korea, and stop the portcalls of nuclear submarines at once and quickly accept an overall inspection of the U.S. nuclear weapons and bases in South Korea in view of the on-going inspection of the North by the International Atomic Energy Agency.

U.S. Sale of Weapons to South 'Intolerable'

SK0609085492 Pyongyang KCNA in English 0809 GMT 6 Sep 92

[Text] Pyongyang, September 6 (KCNA)—The United States gave a "show" of Patriot missiles, attack helicopter Apache and unmanned reconnaissance plane Pioneer etc., which were brought into South Korea for the "Focus Lens" joint war exercises in late August while the training was going on, according to reports from Seoul.

And they conducted "publicity activities" on an extensive scale to sell them to South Korea, "inviting" "government" officials, "assemblymen" and puppet army personnel to "see" them.

The U.S. scheme to sell lethal weapons to South Korea in large numbers is an intolerable act to goad the South Korean authorities into violation of the North-South agreement which stipulates North-South nonaggression and the question of phased disarmament including the elimination of mass destruction weapons and attack capabilities.

The United States must refrain from its criminal acts of going against the trend of the times toward peace and detente and hampering the peaceful reunification of the Korean peninsula.

DPRK, Slovenia Establish Diplomatic Ties

SK0909050692 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 9 Sep 92

[Joint communique establishing diplomatic relations issued by the DPRK and Slovenia in Ljubljana on 8 September]

[Text] The DPRK Government and the Government of the Slovenian Republic agreed to establish ambassadorial-level diplomatic relations and to exchange diplomatic missions to develop friendly and cooperative relations between the two countries in all fields based on the principles of independence, equality, reciprocity, and noninterference in internal affairs. By the DPRK Government's authorization:
(Yim Pong-su), DPRK general consul to Zagreb By the Slovenian Republic Government's authorization:
(Jolance Halier), first vice foreign minister, Republic of Slovenia 8 September 1992 Ljubljana

Kim Il-song Urges Japan To Admit 'Truth'

OW0809131892 Tokyo KYODO in English 1304 GMT 8 Sep 92

[Text] Beijing, Sept. 8 KYODO—North Korean President Kim Il-song has reiterated that diplomatic ties with Japan will not be realized until Tokyo admits the truth about its recent past, according to a Japanese mission which returned from North Korea.

Kim made this clear during a luncheon meeting in Pyongyang on Monday with a visiting Japanese women delegation, a member of the group said in Beijing Tuesday.

"The Japanese Government is not prepared to admit to certain historical facts," Kim told the 20-member Japanese mission.

"But the world pays great attention to this matter," he was quoted as saying.

The women were attending an international symposium on Asian peace and the role of women.

This is the first time Kim has referred to diplomatic relations with Japan since China normalized ties with South Korea on August 24.

"In the future, the Japanese Government will have to recognize the facts," he said.

Kim's remarks were a clear restatement of North Korea's basic line since normalization talks began with Japan in January 1991.

Analysts in Beijing say Kim is anxious to show that Pyongyang does not feel under pressure to compromise with Tokyo following the Sino-South Korean rapprochement.

Seven rounds of talks between Japan and North Korea have been held so far, the last of which broke down in Beijing in May.

The two sides disagree on the matter of past history and the question of compensation.

Pyongyang has always rejected Japan's argument that former treaties signed between Korea and Japan are legal. Pyongyang refers to them as "out-and-out illegal treaties."

The documents in question are the "Ulsa 5-Point Treaty" of 1905 and the 1910 "Korea-Japan Annexation Treaty" which "legitimized" Japan's colonization of the Korean peninsula.

North Korea has also demanded a "sincere apology" and "appropriate compensation" for Korean women forced to provide sexual services to Japanese soldiers at front-line brothels during World War II.

Kim Il-song Receives Greetings From Yeltsin

SK0909011992 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 8 Sep 92

[Text] On the occasion of the 44th anniversary of the DPRK's founding, the great leader Comrade Kim Il-song received a congratulatory message from Yeltsin, president of the Russian Federation. The congratulatory message reads:

Pyongyang,

To Your Excellency Kim Il-song, president of the DPRK:

On the occasion of the 44th anniversary of the DPRK's founding, I extend wholehearted [chinsimurodoenun] congratulations to you.

I express the firm conviction that the reciprocal cooperation between Russia and Korea will develop in conformity with our two countries' interests and favorably for peace and security in Asia and the Pacific.

I take this opportunity to wish the DPRK people happiness and wellbeing and, at the same time, success in reunifying the country peacefully.

Yeltsin,
7 September 1992,
The Kremlin, Moscow

Receives Message From PRC Leaders

SK0909095392 Pyongyang KCNA in English 0820 GMT 9 Sep 92

[Text] Pyongyang, September 9 (KCNA)—A congratulatory message came Tuesday to Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, and Yon Hyong-muk, premier of the administration council, from Jiang Zemin, general secretary of the C.C.[Central Committee], the Communist Party of China, Yang Shangkun, president of the People's Republic of China, Wan Li, chairman of the Standing Committee of the National People's Congress of the PRC, and Li Peng, premier of the State Council of the PRC, on the occasion of the 44th founding anniversary of the DPRK.

The message reads:

The foundation of the Democratic People's Republic of Korea is a shining achievement made by the Korean people in their most arduous struggle of many years and a great turn in Korean history.

Over the past 44 years the Korean people, under the leadership of President Kim Il-song and the Workers' Party of Korea, have defended the independence and sovereignty of the country and registered enormous successes in the building of socialism by maintaining self-reliance and hard struggle.

We are sincerely rejoiced over a series of achievements of the Korean people and wholeheartedly wish them greater successes in the future.

The two parties and countries of China and Korea have traditional relations of friendship and cooperation and the two peoples have always encouraged and supported each other.

President Kim Il-song's visit to China last year and the Korean visit of president Yang Shangkun this year both produced satisfactory successes and further developed Sino-Korean friendship.

It is our steadfast policy to strengthen and develop the friendly and cooperative relations between the two parties, countries and peoples of China and Korea.

We will, as in the past, support socialist construction of Korea and the Korean people's cause of independent and peaceful reunification.

We believe that the traditional friendship between the peoples of China and Korea and the friendly and cooperative relations between the two countries will certainly be steadily developed in the future by joint efforts of the two sides.

Receives Message From Fidel Castro

SK0809053492 Pyongyang KCNA in English 0430 GMT 8 Sep 92

[Text] Pyongyang, September 8 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received a message of greetings from Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, on the occasion of the 44th founding anniversary of the DPRK.

The message says:

The Korean people have courageously pulled through many difficulties and very hard trials in the past under the wise leadership of the Workers' Party of Korea headed by you.

The Cuban people, who have, like the Korean people, suffered all manner of aggression, blockade and pressure, highly appreciate the unremitting struggle of the DPRK and your people to defend, preserve and develop the gains of revolution and socialism.

Cuba and Korea are striving together to advance under the uplifted banner of socialism in the Western and Eastern Hemispheres, firmly confident that they can victoriously surmount new trials even under the grim circumstances in which progressive mankind finds itself today.

Availing myself of this significant opportunity, I express once again the belief that the traditional relations of friendship and cooperation linking our two parties, two governments and two peoples together will further develop day by day in the interests of our two countries and the cause of socialist construction.

I wish you and your party and government and the Korean people greater success in the work for building and defending the socialist motherland and achieving the peaceful reunification of the country.

Yon Hyong-muk Meets Foreign Leaders in Jakarta

SK0409055192 Pyongyang KCNA in English 0503 GMT 4 Sep 92

[Text] Pyongyang, September 4 (KCNA)—Yon Hyong-muk, premier of the Administration Council of the DPRK, who is now participating in the 10th summit conference of the non-aligned countries, met in Jakarta on September 1 with Vo Chi Cong, president of the State Council of Vietnam, Robert G. Mugabe, President of Zimbabwe, P.V. Narasimha Rao, prime minister of India, Mian Nawaz Sharif, prime minister of Pakistan, Julius K. Nyerere, ex-president of Tanzania and president of the South Centre.

Meets With Namibian, PLO Leaders

SK0509063692 Pyongyang KCNA in English 0428 GMT 5 Sep 92

[Text] Pyongyang, September 5 (KCNA)—Comrade Yon Hyong-muk, premier of the Administration Council of the Democratic People's Republic of Korea, who is participating in the 10th Nonaligned Summit met Namibian President Sam Nujoma and president of the state of Palestine Yasir 'Arafat in Jakarta on September 2.

Referring to the development of the Namibia-Korea relations, the Namibian president declared that Namibia would, in the future, too, continue actively supporting the policy of Korea's reunification put forward by respected His Excellency President Kim Il-song.

The president of the State of Palestine said: We will always remember the continuous powerful support to the cause of Palestine extended by the great leader comrade President Kim Il-song and the dear leader Comrade Kim Chong-il. The struggle of the Palestinian people will surely end in victory with such support, he added.

He said the Palestinian people are convinced that the struggle of the Korean people for the independent and peaceful reunification of the country will surely emerge victorious.

Meets With Heads of State

SK0609090892 Pyongyang KCNA in English 0818 GMT 6 Sep 92

[Text] Pyongyang, September 6 (KCNA)—Comrade Yon Hyong-muk, premier of the Administration Council of the Democratic People's Republic of Korea, participating in the 10th non-aligned summit, met in Jakarta with Sultan of Brunei Muda Bolkiah Hassanal on September 3 and with President of the Republic of Maldives Maumoon Abdul Gayoom and Prime Minister of Bangladesh Khaleda Zia on September 4.

The president of the Republic of Maldives told about his deep impressions of Korea and voiced support to the great leader President Kim Il-song's idea on the Nonaligned Movement and the cause of Korea's reunification.

Foreign Minister Meets Counterparts in Jakarta

SK0509115092 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 4 Sep 92

[Text] On 2 and 3 September in Jakarta, Kim Yong-nam, vice premier and foreign minister, who is participating in the 10th Nonaligned Summit, met separately with Ibrahima Sylla, Guinean foreign and cooperation minister; Ernesto Leal, Nicaraguan foreign minister; Nohemi Sanin, Colombian foreign minister; Fernando Ochoa Antich, Venezuelan foreign minister; and Pascoal Manuel Mocumbi, Mozambican foreign minister. Talks were held in a friendly atmosphere.

On 2 September, our country's foreign minister also met the Spanish vice foreign minister in Jakarata.

Meets With More Counterparts

SK0809014792 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 6 Sep 92

[Text] Kim Yong-nam, vice premier and minister of foreign affairs, who is attending the 10th Nonaligned Summit, met on 3 and 4 September with Nathan Shamuyarira, Zimbabwean minister of foreign affairs; Enrique Sillva Cimma, Chilean minister of foreign relations; Ali Alatas, Indonesian minister of foreign affairs; 'Amr Muhammd Musa, Egyptian minister of foreign affairs; and Djibo Ka, Senegalese minister of foreign affairs.

At a meeting, the Egyptian minister of foreign affairs asked the foreign minister to convey the greetings of Muhammad Husni Mubarak, president of Egypt, to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Talks were held in a friendly atmosphere.

Meets With Lao, Cambodian Heads

SK0609115992 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 6 Sep 92

[Text] President Kaysone Phomvihan of Laos and Norodom Sihanouk, chairman of the Cambodian Supreme National Council, met with Kim Yong-nam, vice premier and minister of foreign affairs, during the 10th Nonaligned summit, in Jakarta on 1 September. Talks were held in a friendly atmosphere.

That same day Kim Yong-nam, vice premier and minister of Foreign Affairs, met with Phoun Sipaseut, Lao deputy prime minister and minister of foreign affairs, and Norodom Ranariddh, member of the Cambodian Supreme National Council.

South Korea

U.S. Farm Subsidy Plan Called 'Arrogance'

SK0509123892 Seoul CHUNGANG ILBO in Korean 5 Sep 92 p 3

[Editorial: "How Can He Call for Other Countries To Open Themselves While Subsidizing Farmers?"]

[Text] U.S. President Bush has poured cold water on his own promise that he would improve the conditions for international trade. In a bid to bolster his popularity among the voters after a poll showing that his standing in the presidential election race is behind that of the Democratic candidate Clinton, he promised that he would spend as much as $1 billion to subsidize American farmers.

The so-called free trade advocates, including U.S. Trade Representative Carla Hills, who has visited Korea many times, have insisted that the Korean Government not subsidize the farmers any longer and stressed the need for the Korean Government to produce a timetable for opening the Korean rice market soon. How can they change their attitude so quickly? Does it mean that they can provide an enormous amount of financial aid to their own farmers and that no other country should do so? It was none other than the United States that, until a few days ago, called for the establishment of a new multinational free trade system, the Uruguay Round [UR] negotiations, and warned that the world economy will plunge into an unpredictable chaos if the UR negotiations end in failure.

What is more, at a time when Dunkel, director general of the General Agreement on Tariffs and Trade [GATT], who is visiting Korea, is asserting that Korea's failure to produce a satisfactory alternative to negotiations on agricultural affairs is contributing to the sluggishness in the UR negotiations, President Bush announced his outrageous election promise, making it harder for us to fathom what the United States intends to do.

Despite economic and social difficulties, Korea has been making a a great deal of effort to help forge a solution to the UR negotiations. Korea has decided to apply the preferential status of the developing countries to subsidies for domestic agriculture to drop rice, which bears most of the weight in maintaining the market price through government purchases and compensation to the rice growers to make up for the price differences, from the list of items to continue receiving subsidies, and to phase out subsidies to soy beans, corn, and rapeseed.

This not withstanding, Dunkel said that he could not agree to the Korean assertions that rice should be an exception and that, therefore, Korea should be spared from opening its rice market.

Even though it amply understands the unique nature of Korean agriculture, the GATT said it cannot recognize an exception. Now, if this is the case, the GATT should make clear its position in how it will cope with the U.S. policy of subsidizing farmers, which is the arrogance of a great power amounting to an offensive and going against the grain of the UR negotiations. Even the EC has violently reacted to the shift in U.S. policy on the grounds that such a great power as the United States cannot be allowed to mock other countries, as it has all along.

In the course of putting into practice plans for the UR negotiations on the agricultural issues, the Korean Government has encountered resistance from the critics who maintain that a rupture of the UR negotiations would be favorable to our country. The U.S. Administration's announcement on an enormous amount of subsidies to farmers will only plunge our country further into confusion. This is because our country, the world's 12th largest trading state, is convinced that the settlement of the UR negotiations would not only be in our own interests but also in the interest of the world's coprosperity. It is very regrettable that the United States has marred the atmosphere of the UR negotiations under the excuse of the presidential election.

ROK-Russian 'Basic Relations' Treaty Approved

SK0909053792 Seoul YONHAP in English 0525 GMT 9 Sep 92

[Text] Seoul, Sept. 9 (OANA-YONHAP)—The cabinet approved the South Korea-Russia basic relations treaty Wednesday along with accords on consulates, customs cooperation and avoidance of double taxation.

They will be signed when Russian President Boris Yeltsin visits Seoul next week.

The relations treaty calls for the two countries to jointly overcome their unfortunate past and work toward peace and mutual assistance.

Seoul and Moscow set freedom, democracy, human rights and a market economy as common values in the treaty.

They pledge to solve all conflicts through peaceful means and to cooperate in economic and science-technology areas. The treaty calls for active exchanges between government officials, social organizations, artists and youths.

The treaty lays out joint efforts against crime, including terrorism and drug trafficking.

The treaty goes into effect 30 days after the two countries exchange notices of its ratification and is valid for 10 years.

PRC Names Zhang Tingyang Ambassador to ROK

SK0909031892 Seoul YONHAP in English 0302 GMT 9 Sep 92

[Text] Seoul, Sept. 9 (YONHAP)—The Chinese Government has appointed Zhang Tingyan, a deputy director of the Foreign Ministry's Asian Affairs Department, its first ambassador to South Korea.

Zhang was also promoted to director grade, sources here said Wednesday.

The sources said they expected him to arrive in Seoul on Sunday [13 September] and submit his credentials to President No Tae-u on Tuesday.

The two countries set up diplomatic relations Aug. 24.

Ministry Says North Increases Military Manpower

SK0809022292 Seoul YONHAP in English 0200 GMT 8 Sep 92

[Text] Seoul, Sept. 8 (YONHAP)—North Korea has continued to beef up its military despite worsening economic conditions and progress in inter-Korean dialogue, the South Korean Defense Ministry said Tuesday.

North Korean strength had grown to 1.01 million troops at the end of August from 995,000 at the end of last year, said Maj. Gen. So Won-sik, director of the Ministry's North Korea Intelligence Directorate.

So, briefing journalists on the military situation on the Korean peninsula, said North Korea had actively tried to buy weapons and parts from the Commonwealth of Independent States (CIS).

North Korea conducted its largest ever commemorative ceremony for the 60th anniversary of the founding of its armed forces on April 26, and the government had raised the age limit for wartime mobilization from 40 to 45, So said.

GATT Director Meets Trade, Agriculture Officials

SK0409030892 Seoul YONHAP in English 0123 GMT 4 Sep 92

[Text] Seoul, Sept. 4 (YONHAP)—Vice Trade and Industry Minister Pak Yong-to met Arthur Dunkel, visiting director-general of the General Agreement on Tariffs and Trade (GATT), Friday morning and exchanged views on the Uruguay Round global trade talks and their prospects.

Pak explained Korea's basic position on the negotiations to Dunkel, a Trade and Industry Ministry spokesman said.

And Dunkel explained recent moves of major countries toward the negotiations and asked Korea to actively participate in the talks when they resume in the middle of this month.

Dunkel, who is also chairman of the Uruguay Round trade negotiations committee, flew into Seoul to discuss the Uruguay Round with Korean government officials as part of preparations for wrapping up the negotiations by early next year.

On Thursday evening, Han Ho-sun, chairman of the National Agricultural Cooperatives Federation (NACF), met Dunkel at a Seoul Hotel and strongly asked him to help recognize non-trade concerns in the trade negotiations.

Han said that tariffication without exception, demanded by farm produce exporting countries, contradicted reality and argued that the demand for full liberalization of Korea's rice market could be accepted under no circumstances,

Rice farming was the main source of income for Korea's farmers and the root of Korean agriculture, Han said.

He maintained that the demand was nothing other than pressure on Korean farmers to stop farming and asked Dunkel to recognize the non-trade functions of major agricultural products.

It was unfair, Han said, that Korea, still a developing country in agriculture, should be categorized as an advanced country and be pressured to open its agricultural market and cut its farm subsidies.

Korea should be ensured of a full moratorium and fulfillment period in connection with farm subsidies, he said.

Korea could not accept negotiation proposals so long as export subsidies for farm produce, which were hampering the order of international trade, remained intact, Han warned.

Gives News Conference

SK0409125592 Seoul YONHAP in English 0800 GMT 4 Sep 92

[Text] Seoul, Sept. 4 (OANA-YONHAP)—The consensus of the Uruguay Round [UR] is for tariffication without exception and the draft final act presented last December is extremely flexible, Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade (GATT), said Friday.

He said U.S. President George Bush's announcement of a 1 billion-U.S.-dollar farm subsidy contradicted UR principles.

Dunkel arrived Wednesday and met with President No Tae-u and economic officials on what he called a three-point mission—to assess the state of affairs in the UR negotiations, to clarify proposals that are on the negotiating table, and to listen to the views of the Korean Government.

"GATT is about market opening, reduction of barriers, and transparency, predictability when barriers still remain," Dunkel told a news conference winding up his Seoul visit.

"There are very few countries that have a bigger stake in the multilateral trade system than Korea," he said.

Emphasizing that he did not come to negotiate, Dunkel said he did discuss primarily agricultural issues with Korean leaders.

"I therefore had the opportunity to explain why the merging consensus at the Uruguay Round is in favor of tariffication without exception," the GATT official said, strongly suggesting that Korea will have a hard time excluding its rice market from this rule.

"From a political point of view, a great number of governments consider that if there is somewhere one exception for one of the agricultural products, then everywhere people will ask for an exception. (The) best political approach for countries is to say no exception whatsoever," Dunkel told reporters.

Major negotiating parties had made their concessions, he said, the United States had renounced waivers and the European Community had abandoned its variable levies.

Under the draft final act he forwarded last December, Dunkel said, Korea would open 3 percent to 5 percent of its rice market under tariffication.

"The proposal is very much, much, much more flexible than asked for by the Cairns Group and the United States," he said.

Asked what he thought of Bush's 1 billion-dollar farm subsidy, Dunkel said that one of the basic proposals in his draft was the substantial reduction of export subsidies by all UR participants.

"This means the participants in the Uruguay Round want to put an end to what has been defined as a subsidies war," he said.

"If the Uruguay Round would be enforced now, I think the government of the United States would not be in the position to take the type of action that it is taking now," Dunkel said.

Ministry Plans New Military Diplomatic Policy

SK0509100092 Seoul CHOSON ILBO in Korean 5 Sep 92 p 2

[Text] On 4 September, the Defense Ministry announced that it had decided to modify on a large scale the direction of its military diplomacy. Its new plan includes attaching importance to Southeast Asia in terms of geography and to the economy in terms of substance. Its previous military diplomatic policy was completely devoted to restraining North Korea and to maintaining friendship with the United States.

The Defense Ministry held a conference to discuss its policies on the morning of 4 September under the chair of Defense Minister Choe Se-chang and with directors of bureaus and heads of offices within the Ministry in attendance. At the conference, the Defense Ministry decided the basis of its new military diplomatic policy in preparation for the era of North-South reunification.

This "new military diplomatic policy" foresees an end to the method of merely emphasizing political and military aspects to check the threat of North Korea and seeks a turning point in a bid to obtain practical nationwide economic benefits. This policy also includes the introduction of a multidirectional concept, turning from the line of attaching importance only to a small number of allies, including the United States. In particular, the policy is to broadly strengthen friendly relations with nations in Southeast Asia.

The Defense Ministry plans to give the details of the new military diplomatic policy decided that day to the military policy-related offices and military attaches overseas.

Ministers Meet To Discuss Economic Policies

SK0709042292 Seoul YONHAP in English 0247 GMT 7 Sep 92

[Text] Seoul, Sept. 7 (YONHAP)—The government will continue to pursue a stabilization-first economic policy aimed at curbing inflation and improving the international balance of payments even though this will cause hardship, Deputy Prime Minister Choe Kak-kyu said Monday.

The chief economic policymaker ruled out the possibility of the government stimulating domestic demand to revive the economy.

Pump-priming measures at the present time would undermine the effects of economic restructuring so far and necessitate a longer period of correction for the national economy, he told President No Tae-u while briefing him on major economic tasks in a meeting of economic ministers.

Choe, who is also head of the Economic Planning Board (EPB), said the economy was projected to expand between 6.5 percent and 7 percent in the second half of the year, compared with 6.7 percent in the first half. Between 6 percent and 7 percent was an optimum rate, Choe said, in consideration of the supply and demand of manpower and money.

Inflation will be around 6 percent in the second half, 3 percentage points lower than projected earlier, and the current account deficit will drop to 5 billion U.S. dollars for the year from 8.7 billion dollars in 1991.

Finance Minister Yi Yong-man told No that the total money supply (M2) increased 18.4 percent during the first eight months, a bit lower than the target of 18.5 percent.

He said his Ministry would provide active financial support for manufacturing and exporting firms above anything else and it would encourage enterprises to invest more energetically.

A bumper rice crop was assured this year unless a natural disaster hit, Agriculture, Forestry and Fisheries Minister Kang Hyon-uk said, adding that he would mobilize all efforts to help farmers bring in the harvest in October and November.

Trade and Industry Minister Han Pong-su said the trade deficit fell 2.8 billion dollars on a customs clearance basis in January-August over the same period last year, noting that the deficit for the entire year would be 6 billion dollars, down about 3 billion dollars from last year.

He also said he would expand the export insurance fund for medium- and small-sized export companies.

Management of housing construction will be elastic to prevent an escalation in home prices by expanding the supply in large cities and other areas where the demand is increasing, Construction Minister So Yong-taek said.

He said he would build roads and electric trains on schedule between Seoul and the new towns, to which 49,000 families are to move by late this year.

A road on the northern bank of the Han River and Ilsan-Susaek street would be expanded by the end of the year, he said.

Environment Minister Yi Chae-chang said he would work out measures to charge waste disposal fees in accordance with volume from next year to expedite the recycling of waste and would make profits from recycling tax-deductible.

Interim Results of Spy Investigation Announced

SK0709091092 Seoul YONHAP in English 0629 GMT 7 Sep 92

[Text] Seoul, Sept. 7 (YONHAP)—The government's announcement Monday on the interim results of its investigation into a North Korean espionage ring was a shock to most people as it confirmed their fears Pyongyang might be manipulating progressive political groups in the South.

The announcement by the Agency for National Security Planning on the spy ring, master-minded by Kim Nak-chung, a leader of the defunct Minjung (Masses) Party, could have an adverse impact on the nation's progressive political forces.

It will be difficult to wipe out the suspicion with which ordinary people will look upon reform-minded and progressive activities by any political group, however legitimate they may be.

Until he was arrested Aug. 25, Kim, a "prominent political theoretician and a respected university lecturer," exerted considerable influence through his lectures, his newspaper and magazine articles and appearances on television and radio talk shows.

What was surprising was that Kim, 61, who had been trained in North Korea and designated by Pyongyang as "a spy in place" in the South, was able to penetrate the Minjung Party and became its co-chairman on orders from North Korea.

There he supported 18 candidates for the National Assembly with money given to him by North Korea.

His activities underscored an apparent shift in North Korea's tactics from fomenting political unrest in the South through underground groups to a more legitimate maneuver to form a political party, comparable to the Workers Party in North Korea, to build "a foothold" in the political establishment in the South, analysts say.

In order to realize his, or rather North Korea's, plan, Kim set up Minsahyop (the Council for Democratic Reforms and Social Progress) with 80 core members of the defunct Minjung Party.

After becoming its adviser, Kim was said to have planned to form another progressive party to "wage a struggle" during the coming presidential election.

Deceived by Kim's skillful disguise, many politicians and members of the general public believed him to be a progressive intellectual and an ardent advocate of national unification, but all the while he was working as a North Korean spy for more than three decades.

With Monday's announcement, it became clear that popular slogans among radical students and labor activists such as the abolition of the National Security Law, demand for U.S. troop withdrawal, and release of political prisoners had their origin in writings and speeches by progressive intellectuals like Kim Nak-chung.

How valuable Kim was to North Korea was reflected in the hysterical reaction of North Korea's news media following the reports here of his arrest.

The Korean Central News Agency, Pyongyang radio and the NODONG SHINMUN all condemned the Southern authorities for the arrest of "core members of the democratic unification forces in the South," describing southern officials as "a bunch of murderous bandits" and "butchers of the Korean people."

In any event, Monday's revelation proved that North Korea has not changed its decades-long ambition and policy of unifying the country under communist rule despite a much-touted rapprochement between the South and the North following the basic accord they signed late last year on reconciliation, non-aggression and exchanges and cooperation.

If Monday's announcement fails to achieve anything remarkable, it may at least whip up suspicion and anti-communist fervor, which has slackened considerably in recent years, among the general public.

Yi Chong-chan Launches New Political Party

SK0409013692 Seoul THE KOREA HERALD in English 4 Sep 92 p 2

[Text] About 10 former lawmakers have joined Rep. Yi Chong-chan's "National Alliance for New Politics," a new political group officially launched yesterday in preparation for the December presidential election.

Insiders said the 700 or so founding members of the group included former lawmakers O Yu-pang, Yi Yong-il, No Sung-hwan, Yi Chan-ku, Yun Sok-sun and others. Former unification minister Ho Mun-to and former opposition leader Yi Chol-sung are said to be joining the group as well.

In the inaugural speech, Yi Chong-chan, who made an unsuccessful bid for the ruling party's presidential nomination and is now an independent lawmaker, said his group would strive for an electoral victory by putting forth a "candidate with a national base and capable of promoting reformative new politics."

Late last month, he said he would not run in the presidential race, opening the way for another candidate. Sources said that the alliance would pick its presidential candidate late next month.

The group will finish organizing local chapters by the end of this month and will launch a political party early next month, the sources said.

Special guests at the ceremony included Rep. Pak Chan-chong, leader of the small Party for New Political Reform, United People's Party (UPP) lawmaker Kim Tong-kil and Pong Tu-wan, a UPP official, and Rep. Han Yong-su who recently bolted the main opposition Democratic Party.

Their attendance drew special attention in relation to rumors that Yi Chong-chan might join the UPP led by industrialist-turned-politician Chong Chu-yong. Chong has expressed hopes to embrace Yi's group.

Opposition Leaders 'Close Ranks' on Elections

SK0409112192 Seoul YONHAP in English 0731 GMT 4 Sep 92

[Text] Seoul, Sept. 4 (YONHAP)—Kim Tae-chung, president of the main opposition Democratic Party, and Chong Chu-yong, leader of the Unification National Party [officially renamed the United People's Party], agreed Friday to close ranks and work together to force the ruling Democratic Liberal Party [DLP] and the government to hold local elections this year.

Following a one-hour-and-20-minute meeting in the National Assembly's VIP restaurant, Kim and Chong issued a four-point statement, declaring that elections of chiefs of local governing bodies are necessary and essential for the development of democracy and a cleaner and fairer presidential election in December.

Kim Yong-sam, president and presidential candidate of the ruling party, should, therefore, carry out the local elections, the opposition leaders said.

The DLP and the government had no justification any more to oppose the local elections this year as an expose on vote-buying by a former county chief in South Chungchong Province in the March 24 general elections had proved official interference in elections, they said.

Han Chun-su, 61, the former chief of Yongi County, alleged Monday that he had used money provided by the provincial governor, the ruling party and his county to buy votes for the DLP candidate.

Kim Tae-chung and Chong said they were determined to respond to Han's "self-sacrificing noble deed" and carry out their goal to hold the local elections this year.

The two also demanded that President No Tae-u and Kim Yong-sam apologize to the people for overlooking "legitimatized vote-buying in the general elections" and punish the then-home affairs minister and the governor of South Chungchong Province.

Commenting on their statement, DLP spokesman Pak Hui-tae said there was no change in the ruling party's position not to hold the local elections this year. The timing of the local elections would be decided by the next president of the country, he said.

Aides to Kim Yong-sam said it was the position of the DLP president that Han's allegations should be thoroughly investigated by law enforcement officials and that, if they were true, all those responsible should be punished according to the law.

Kim believed replacement and punishment might be unavoidable for South Chungchong Governor Yi Chong-kuk if he is found guilty, his aides said.

The ruling party also plans to conduct its own investigation of the head of the party's Yongi local chapter, Yim Chae-kil. It is also trying to determine how checks issued by Song Wan-chong, president of Daeha Construction Co., and a member of the financial committee of the DLP local chapter ended up in the hands of Han.

In this connection, Han, who has been under the protection of the Democratic Party since he made "the statement of conscience" Monday, will answer the prosecutor's questions early next week, after the Democratic Party forms a group of lawyers for him.

Kim Tae-chung and Chong Chu-yong said in Friday's statement that the cancellation of the contract awarded by the government to the Sunkyong Group for the mobile phone business was a victory for the opposition.

Kim and Chong also urged the government to abandon large public projects, including construction of the Seoul-Pusan high-speed railway and an international airport on Yongchong island off Inchon.

There is the question of justifiability for the outgoing government to award contracts for such big projects.

As the contracts involve huge amounts of money and profits, they could be abused by the government and the ruling party for their political fundraising efforts, the Kim-Chong statement said.

With regard to the projects, DLP spokesman Pak said the ruling party planned to discuss with the No administration further before making any decision on them.

* Focus on Former President Chon Tu-hwan

* Ready for Open Activity

922C0229A Seoul SISA JOURNAL in Korean 6 Aug 92 pp 23-28

[Article by reporter Cho Yong-chun: "Mr. Chon Tu-hwan Emerges as a Variable in Presidential Election Despite His Negative Image as He Braces for Open Activity"]

[Text] On 21 July Former President Chon Tu-hwan left for a gala summer vacation on Cheju Island. Many looked askance at this "royal travel" in view of its extravaganza. It looked as if he were having a unity meeting to demonstrate his power. Curtailing his 10-day schedule, he returned to Seoul in the midst of budding political changes after spending four nights and five days. The sweeping DLP leadership realignment ahead centering on the transfer of the party presidency from President No Tae-u will mark the beginning of these changes. Also at the core of the changes is the move aimed at a coalition of, or the formation of a new party by, independent assemblymen centering on Chong Ho-yong, the old opposition forces, and some former officials of the former Fifth Republic, including Chang Se-tong. A sweeping realignment of the political landscape in the making is the new focus of political developments in August and thereafter.

As it becomes virtually certain that the presidential election in December will be a three-way race among Kim Yong-sam, Kim Tae-chung, and Chong Chu-yong, the groping for change among political circles is stirring up an unusual atmospheric current in the political world. It is highly possible that the changes they are seeking will become a major factor in deciding the outcome of the presidential election. Lying at the center of these changes is former President Chon Tu-hwan.

Public interest in the question of whom Mr. Chon will support in the presidential election slated for December was aroused when DLP Chairman Kim Yong-sam suddenly called on the former president at his home in Yonhudong, Seoul, on 22 May. Since then the "price of the Chon stock" has gone up with each passing day. This is a sea change in his status, unimaginable when he came down from his seclusion in the Paekdam Temple on 30 December 1990. At a time when his public image is still low, the presidential candidates changed their attitude toward him, and this about-face reminds us of the expression "the irony of fate."

That each presidential candidate is trying hard to enlist Chon's support signifies that the candidates take cognizance of former president's influence and power. To be more specific, this means that it is essential in the presidential race to take advantage of his popularity in the Yongnam area centering on Taegu, his military connection which he still maintains by and large, and his political followers.

In other words, despite being the person who went through the hearings on the wrongdoings of the Fifth Republic, Mr. Chon still commands such a large electorate that no political group can afford to ignore it.

Explaining the importance of his support in the presidential race, a high-ranking DP official said: "Mr. Chon Tu-hwan is still exercising great influence over the military—the largest power group in our society—the ultra rightist forces, and people in some areas of Kyongsang Provinces." He went on to say: "These are the forces most antagonistic to DP Representative Kim Tae-chung, and they are the forces whom he finds most difficult to penetrate. The image of the "new DJ" will not do. If Mr. Chon supports DP Leader Kim Tae-chung even in an indirect way, it would be very helpful in neutralizing their opposition to him. That is why in reality, we pin our hope for his support."

Kim Yong-sam Badly Needs Chon's Support

Mr. Kim Yong-sam is the person who needs Chon's support most. For him, the unity of all the pro-government forces is the first and foremost prerequisite in winning the presidential election. Mr. Kim needed a reconciliation with Mr. Chon so urgently that Mr. Kim, who in the past had been in the forefront of the move to send Mr. Chon into exile in the Paekdam Temple, made an about-face and called on him at his Yonhui home. Mr. Kim Yong-sam has yet to patch up relations with the military. Following the principle that the military is loyal to its commander in chief, he is expected to get some help from President No on this score. But Mr. Chon's still strong military connection cannot but be an impediment to Mr. Kim. Army Chief of Staff Kim Chin-yong, who is regarded as a representative figure in the Chon faction in the military, drew attention in last October when he visited the room where the coffin of Mr. Chon's mother-in- law was placed, despite that such a visit might have a very delicate political implication.

The RNP has not yet made its stand clear on the question of Mr. Chon's support. It has yet to complete an internal discussion of the question of whether drafting personages of the former Fifth Republic forces will be a plus or a minus in its campaign strategy.

In spite of his knowledge of the internal situation of the three parties, Mr. Chon has persistently kept his silence. From time to time his personal views trickled out on informal occasions. But his official political views have never been made public. When is he going to break his silence? Whom does he think should be the next president?

There happen to be some clues to Mr. Chon's opinion of the three presidential candidates. The following questions and answers, although the answers are not straight from the horse's mouth, may be regarded as reflecting his thought because the answers given by his key aide, who is unidentified here.

[SISA JOURNAL] They say Mr. Chon's relationship with DP Representative Kim Tae-chung has improved compared with the past. Is that true?

[Aide] The fact is that what His Excellency (Mr. Chon Tu-hwan) said at his meeting with those former generals who joined the DP has been misquoted and exaggerated by the press. He only made this point: "In the past the public and the opposition party had a misconception of the military, and it is necessary to correct this misconception. That is why it is a good thing that some former generals have joined the DP." It is basically wrong to construe this remark as signifying his support for Mr. Kim Tae-chung or an improvement of his relations with him.

[SISA JOURNAL] But is it not true that former President Chon, when he was in office, had an aversion to Mr. Kim Tae-chung?

[Aide] You should regard it rather as something akin to an aversion to Kim Tae-chung's reunification stand and other radical thinking than as a rejection of Mr. Kim the man.

[SISA JOURNAL] What is his stand regarding RNP Representative Chong Chu-yong's entry into the political world?

[Aide] Mr. Chong was quoted as saying during the hearings on Ilhae Foundation that "I could not help it while I tried to live comfortably by swimming with the tide." So, he tried to gloss over what he did by giving the impression that he did it under pressure. Anyway, it was a thing of the past, and it seems that he had no other choice during that hearing.

In this connection, I let me point out that financiers' flocking to the political arena is the present government's own making because the present government mistakes liberalization for democratization. True, compared with the days under the Fifth Republic, the press, business, and labor have a much freer and louder voice.

But, this is the result of liberalization and not of democratization. The present government, despite its claim to democratization, is ceaselessly bent upon interfering with and controlling the business community. If it is true democratization, the government should help the economic community grow and develop through autonomy. In these five years, however, the government has never loosened the rope of excessive control. The reaction of the financial world is quite natural.

[SISA JOURNAL] Following Chairman Kim Yong-sam's call at the Yonhuidong home last May, there was a rumor, though for a brief moment, that the former president might have decided to "support Chairman Kim." I hear that on that occasion he was given a "lecture" on how to raise political funds. Is that true?

[Aide] It is a wrong to regard us as a pro-government force. How can we—who have been subjected to more persecution and suppression than anybody else by the present pro-government forces—belong to the pro-government camp? As reported (by SISA JOURNAL), when Mr. Kim Yong-sam requested an opportunity to visit His Excellency, what we feared most was that the Kim Yong-sam camp might spread the words that "former President Chon has decided to support Kim Yong-sam." That is to say that Mr. Kim's visit was nothing but a very customary courtesy call made by the presidential candidate of the government party on the former president. I do not know anything about the lecture on political fund-raising because His Excellency made no mention of it to us. Inasmuch as nobody on our side said anything about support for Mr. Kim, most probably the other side (Mr. Kim Yong-sam's secretariat) might have spread the rumor. At any rate His Excellency never made any such remark.

[SISA JOURNAL] What is the former president's stance regarding the presidential election slated for late in the year?

[Aide] Basically, we are outside of the political bound. Ours is the stand of an outsider. We are in no position or circumstances to state our stance. We have no political stake in who will become the next president. It seems that some people think we are inclined to stand by the government in power because we ourselves have experienced in running the party in power. But, let me emphasize once more that we will never take the side of the party in power. This does not necessarily mean that we will support the DP, however.

That is the position of the Yonhudong camp on the presidential election. But as a matter of political reality, it is difficult to take the aforementioned remarks at their face value. Reportedly, Mr. Chon Tu-hwan would like to engage in social activities as freely as he wishes in a free state. A precondition for his freedom of activity is that the political restrictions on him be lifted. To this end, he has no alternative but to make an active political compromise with the existing political forces. If so, in what way will he regain his "political freedom"?

The simplest way would be for him to join hands with Mr. Kim Yong-sam. But as may be surmised from the statement by the former President Chon's key aide that "we will never side with the party in power," Mr. Chon sustained an irremediable injury from DLP Chairman Kim Yong-sam. The Yonhudong intimates say: "The whole world knows that in the past when His Excellency was in office, he treated Mr. Kim Yong-sam better than Mr. Kim Tae-chung. But unlike Mr. Kim Tae-chun, who advocates refraining from political retributions, Mr. Kim Yong-sam mercilessly caviled at His Excellency. When in deciding to let His Excellency return from his exile in the Paekdam Temple, Mr. Kim Tae-chung readily agreed whereas Mr. Kim Yong-sam was strongly against it." Accordingly, the Yonhudong camp maintains that there could be no Chon-Kim tie-up.

As Scenario 2, we may mention the possibility of collaboration with DP Representative Kim Tae-chung. Various signs indicate that despite the denial by the Yonhudong intimates, former President Chon has a good feeling toward Mr. Kim Tae-chung, contrary to his feeling in the past. It is too early to say whether this is a mere change on the emotional plane, however, or it will actually develop into a collaboration with Mr. Kim Tae-chung. This must be considered to be a possible scenario.

Scenario 3 concerns the question of whether there is the possibility that former President Chon will support RNP Representative Chong Chu-yong. Mr. Chon does not seem to take a positive view of Mr. Chong's entry into politics. Mr. Chong is a businessman who had no say under the pressure of political power when Mr. Chon was in office. Therefore, in order for this scenario to turn into reality, the precondition that other political forces join the RNP needs to be fulfilled.

Chong Ho-yong Can Be Possible Candidate

Lastly, Scenario 4 is the possibility of a grand conservative coalition on a different plane. This could be a nationwide coalition embracing these forces: the political elements who have been eliminated from the political arena due to the three-party merger and the opposition merger; the independent group centering on Assemblyman Chong Ho-yong; the forces who have bolted the DLP, the DP, and the RNP; the Chon Tu-hwan followers, including Chang Se-tong, who were cabinet members under the Fifth Republic. In a recent interview by a monthly journal, Mr. Chong Ho-yong said, "if I join the party headed by President No, a senior-junior relationship will be formed between him and me; and I do not like that." Commenting on this statement, a Chon Tu-hwan intimate said: "What Assemblyman Chong said does not mean that he could join the DLP when Mr. Kim Yong-sam becomes party president in August. That is a wishful thinking on the part of the DLP. Mr. Chong is not the kind of person who will become Mr. Kim Yong-sam's subordinate and bow to him addressing him, Mr. President.'" Therefore, in this scenario there is a great possibility that Mr. Chon will support Assemblyman Chong Ho-yong and putting him up as a presidential candidate. But the key to this possibility lies in whether the new party will be large enough to form a negotiating body in the National Assembly.

Aside from these various possibilities, it seems clear that Mr. Chon will launch into open activities for his political rehabilitation. Recently, hidden stories of what happened in the transitional period from the Fifth to the Sixth Republic have been intermittently trickled into the press; and this seems to have something to do with the plan of the Yonhudong camp for Mr. Chon's political rehabilitation.

The still lingering doubts about what happened in the process of transition from the Fifth to the Sixth Republic may be roughly divided into these four questions: 1) to whose initiative is the 29 June special proclamation attributable; 2) what was the size of the political fund then President Chon provided to the presidential candidate, Mr. No Tae-u?, 3) who played the leading role in the armed suppression of the Kwangju democratic uprising?; 4) what are the real facts about the wrongdoings of the Fifth Republic that need to be clarified? These issues were dealt with during the hearings on the irregularities of the Fifth Republic and the hearings on the Kwangju incident. But they were just filtered once, so to speak, as a matter of formality without regard to an actual and correct determination of the facts. Our impression is that in spite of the energetic efforts of some of the opposition assemblymen to get to the bottom of the matters, these hearings ended up an opportunity to vent spite over the past wrongdoings.

In his article "Evaluation of the Successive Presidents," carried in the May issue of KOREA FORUM, which is popular among the average people, Kim Yong-so, professor of political science and government administration at Yonhui University, bitterly criticized the aforementioned hearings in these words, "they [the hearings] not only aggravated the public sense of frustration and resentment but also had the effect of paralyzing the function of government under the name of democracy. In view of this, we may brand them as a sham democracy or an imitation of democracy clearly accompanied by a high degree of toxicity and duplicity." If the hearings did not issue a certificate of indulgence on the general suspicions against the Fifth Republic, it is absolutely necessary to get to the bottom of these suspicions even if it is not solely for the vindication of Mr. Chon's honor as an individual.

Gearing Up for Action Beginning in October

Naturally, the issue of retrieving Mr. Chon's honor is inseparable from President No and his close aides. In case Mr. Chon's side should speak out abut the wrongdoings of the Fifth Republic and the armed suppression of the 18 May Kwangju democratic uprising, the fallout from this disclosure will hit right back at the powers that be at the center of the Sixth Republic. For this reason the Yonhudong camp takes a cautious stance on this issue. This camp fears that if it should get hasty just to vent spite and encounter a counterattack from the Fifth Republic, the consequences could be "worse than when the attempt was not undertaken." Mr. Chang Se-tong was called on the carpet by Mr. Chon late last year when he declared his intention to enter the political arena, advocating his "doctrine of a creative new party." The objection was due to the judgement on the part of the Yonhudong group that the declaration was premature.

If so, when will the time that Mr. Chon and his Yonhudong camp are waiting for come? Regarding the timing, a source close to the Yonhuidong camp said, "Roughly speaking, I guess they will commence acting beginning in October." He asked, "do you not think it is appropriate for Mr. Chon Tu-hwan as an individual rather than as a politician to start moving about that time?" He thus strongly intimated that the Yonhudong camp will soon "swing into action." According to him, Mr. Chon is mapping out various plans for action, including open local tours, which will begin at about that time.

Asked repeatedly by this reporter about the timing for Mr. Chon's political action, one of his staff members mumbled incoherently, "being younger than the two Kims, His Excellency has no reason to get hasty." He is 61 years old, and he has ample time to bide his time for the future.

* Rift Over Political Fund

922C0229B Seoul SISA JOURNAL in Korean 6 Aug 92 pp 28-30

[Unattributed article: "Political Fund Caused Rift Between Chon and No"]

[Text] No Tae-u, Chon Tu-hwan, and Chong Ho-yong were classmates in the Military Academy, and more importantly, had been friends for 40 years before a relationship of betrayal and conflict which is hardly reconcilable developed among them in the course of realpolitik. At a 7 June drinking party with the retired military officers who joined the DP, former President Chon Tu-hwan said, "I do not know about others, but I can never forgive the betrayal by the man who has been a friend for 40 years." Assemblyman Chong Ho-yong recently issued what may be called a "letter of braking up" by saying, "I cannot work under President No."

As widely known, Assemblyman Chong's feeling of being betrayed by President No stems from the breaking of promises by President No on two occasions, namely, in the course of settlement of the wrongdoings of the Fifth Republic and the 3 April by-election. On the other hand, the immediate cause of the rift between President No and Mr. Chon Tu-hwan has not been accurately ascertained yet. Of course, Mr. Chon's exile to the Paekdam Temple may be regarded as the primary cause. Putting together the words of his close aides who have recently begun to open their mouths little by little, we come to realize that there was a more fundamental cause of conflict way before that.

No's Staff: Money Received Was Less Than Amount Collected

The following remarks of one of Mr. Chon's key staff members brings to light for the first time the fact that the political fund was the key factor in the breakup of the No-Chon relationship. These remarks, though rather long, are quoted below word for word:

"To state the conclusion first, the political fund broke up the relationship between the two. Prior to the 1987 presidential election, then President Chon wanted to stay aloof from political fund-raising. He wanted to avoid backbiting because if he were to raise a political fund nearly at the end of his term of office, contributors might be at a loss, uncertain of whether the money would be spent for the campaign or used to line his own pocket.

"But, in those days the position of Candidate No Tae-u was different. He importuned on President Chon for help because he himself was unable to raise a political fund. President Chon spurned the request very cooly at first because he believed that the presidential candidate himself should manage to handle his own fund raising. But Candidate No importuned so persistently that President Chon could not brush aside his entreaty any longer. Precisely this was the cause of the trouble.

"In those days Mr. Yi Chun-ku was the director of the election campaign headquarters. There was a discrepancy between the amount of the political fund raised by the Chongwadae and the amount handed over to the candidate No Tae-u. Naturally, Candidate No's staff members began to cast suspicion on President Chon. They suspected that President Chon did not hand over the whole amount of the collected campaign money to the party, pocketing part of it himself. But that is not true. President Chon personally did hand over part of the fund to Candidate No, amounting to 200 billion won according to some press reports.

"This suspicion led to the action against the New Village Movement Headquarters, an official party organization headed by Mr. Chon Kyong-hwan, and Candidate No's side thus began to point the dagger at President Chon's flank, warning that you should disgorge the money you pocketed." When we made no explanation of the discrepancy, they began to point the dagger at the Ilhae Foundation also, a key foundation for the new generation. By the time they at last attempted to straighten out the matter, the trouble had aggravated so much by its own inertia that there was no way to negotiate a settlement. The matter could not but drift to a point where it was impossible to bring it under control. At any rate, because of this trouble, when former President Chon returned his political fund to the national treasury in 1988, ironically the Chongwadae had to add some money to make up for the shortage."

Chon Side: No, Kim Are Behind Asiana License'

If so, where did the [missing] part of the money Mr. Chon handed over to Candidate No go?

Answering this question, the same aide of Mr Chon said, "We have no way of knowing it. In those says there were private organizations run by people like Pak Chol-on, No Chae-u, and Kum Chin-ho on Candidate No's side, and we only speculate that the money was funnelled into these organizations."

He grumbled: "If at that time President No simply had said to his staff, 'your suspicion was wrong,' the misunderstanding would have melted away, but he did not." If it is a fact that President No kept even his staff in the dark regarding the political money he had received, what would be the reason?

The same aide said: "Well, I do not know. How could anybody other than the person concerned possibly know it? President No has never been ahead of President Chon, even once. In the Military Academy days Chon was always at the head of the class. Once Kim Pok-tong reportedly asked No Tae-u, 'how come you always cling to Mr. Chon Tu-hwan's sleeve?' As I see it, President No is not the type who takes the lead in anything. It sometimes struck me that he may have this kind of inferiority complex. Otherwise how could he be so indifferent to the distress of the man who has been a friend for over 40 years that he just sat back with his arms folded like a bystander?"

The same aide gave the following background story, saying this is "the first such revelation," about how the Kum Ho Group obtained its license for the nation's second civilian airline, which is regarded as the last special privilege granted by the Fifth Republic.

"In the final analysis, the licensing of Asiana Airlines had nothing to do with President Chon. There is a man who actually pressed for the licensing by carrying around papers from agency to agency. The man is DLP Assemblyman Kim Yun-hwan. There was no need to issue the license before the expiration of the term of office of the president. Moreover, at that time President Chon believed that with only two weeks to go before the expiration of his term of office, the matter should be left to the discretion of his successor. But Mr. Kim Yun-hwan, the then senior presidential secretary, carrying around all necessary papers all by himself, pressed President Chon for action, saying that the matter should be decided forthwith. I hear that Assemblyman Kim's younger brother is a board member of the Kumho Group. President Chon continued to delay the decision on the ground that the matter should not be decided in a hasty manner. But Mr. Kim Yun-hwan was so adamant that President Chon finally told him to get the approval of the president-elect.

According to the same aide of Mr. Chon, Mr. Kim Yun-hwan in fact obtained the signature of President-Elect No Tae-u, and President Chon gave his approval saying "then it is OK." Kim Tae-hwan, Assemblyman Kim Yun-hwan's real younger brother, is currently the managing director of Asiana Airlines. While working for the Seoul office of Marubeni Company, a foreign firm, he transferred to the Kumho Group in March 1974. Whether or not Mr. Kim Yun-hwan was directly involved in the licensing of the nation's second civilian airline company, a subsidiary of the Kumho Group, has not been confirmed, however.

Mr Chon Is Not a Man Who Will Do Such a Thing'

In this connection, Assemblyman Kim Yun-hwan strongly denied the allegation saying, "in those days the position of the presidential secretariat was that it would not be appropriate for the president near at the end of his term of office to permit such a large-scale project. I do not know who is slinging mud at my reputation, and for what reason. But I knew nothing about the matter." He also said, "the then transportation minister, Cha Kyu-hon, is the person who practically handled the matter, beginning to promote the plan a year before, and it is Mr. Cha who obtained President Chon's private seal." He asked back: "The senior presidential secretary was not in a position to handle that kind of matter. Do you think the senior secretary had that kind of authority?" He added, "President Chon is not the type of person who will do something because someone presses him." As to whether or not it is true that then President-Elect No Tae-u knew of the matter and actually signed the paper, Kim Yun-hwan said, "I do not remember whether the president-elect actually signed it or not, but he knew what was going on."

As you see, the explanation of the Yonhudong camp and that of Assemblyman Kim Yun-hwan about the licensing of Asiana Airlines do not agree with each other. This discrepancy needs to be straightened out by a different way in the future. The veracity of the remarks of Mr. Chon Tu-hwan's key aide also needs to be ascertained in the future. President No has only about five months before his term of office expires. A more accurate picture of the matter should be disclosed after he retires.

If so, what does Mr Chon think about President No, who is nearing the end of his term of office? It is clear that with chances for a reconciliation between the Fifth and Sixth Republics gone, Mr. Chon is still angry at President No for his adamant refusal to call on him at his home. Nonetheless Mr. Chon made this paradoxical statement: "There should be no more political retaliation on former presidents; the retaliation on me should be enough. This kind of unfortunate thing should not be repeated. If there is going to be a political retaliation on President No, I will stop it."

Initiative for Reconciliation Rests With President No

Although Mr. Chon and Assemblyman Chong Ho-yong currently maintain a friendship of fellow sufferers, there was a time when their relationship was strained. In this connection, one of Mr. Chon's close aides had this to say: "In the early days of the Sixth Republic, Assemblyman Chong joined hands with President No in persecuting former President Chon. But after being subjected to persecution himself, he now seems to understand how we feel. There will be no trouble between the two because they have been on the same wavelength for quite some time."

Can the damaged relationship between Mr. Chon and President No be repaired? They were Military Academy classmates, but Mr. Chon is two years older than Mr. No. Those who know these two men well are unanimous in saying that Mr. Chon acted like the elder brother, and Mr. No acted like the younger brother. After Mr. Chon became president, Mr. No was careful of his language when speaking to Mr. Chon, even on private occasions. It is possible for Mr. Chon to extend a hand of reconciliation from the point of view of the elder brother. If that is to happen, it will happen in a distant future. It is possible that these two men will once again clash with each other during the presidential race late in the year due to their conflicting positions. When it comes to repairing the relationship between these two persons, the initiative rests with President No and not with Mr. Chon.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Says U.S. Offers F-16s for Air Force

BK0809134992 Hong Kong AFP in English 1324 GMT 8 Sep 92

[Text] Kuala Lumpur, Sept 8 (AFP)—Prime Minister Mahathir Mohamed said Tuesday that the United States has offered F-16 fighter jets to Malaysia which wants to acquire more state of the art defence hardware.

"Yes, they want to sell us the F-16s," Mahathir told reporters, saying Kuala Lumpur had yet to make a decision on the offer. He did not disclose the number of jets offered by the United States.

Defence sources said that Washington wants to sell about 30 fighters and the offer came at a time when Malaysia was considering purchasing 24 to 30 Russian MiG-29 aircraft at flyaway prices.

Kuala Lumpur, which wants a new air defence fighter to bolster the country's present squadron of U.S.-made F-5 jets, is also looking at a French offer to sell an unknown number of Mirage 2000 and Rafale aircraft, the sources said.

Mahathir said the United States was offering the F-16s at "very competitive prices if we can afford."

The Royal Malaysian Air Force is to take delivery of four U.S.- made maritime patrol craft costing about 93 million U.S. dollars in about two years.

Asked about the controversial sale of 150 F-16s by the United States to Taiwan, which has infuriated China, Mahathir said it was up to the two countries to decide.

"They talk about not wanting an arms race. They should not talk but also act," Mahathir said.

NAM Statement on Bosnia Welcomed

BK0709133492 Kuala Lumpur Voice of Malaysia in English 0800 GMT 7 Sep 92

[Station commentary]

[Text] The strong and (?determined) stand taken by Malaysia and several other countries of the Non-Aligned Movement [NAM] over the Bosnia-Hercegovina situation achieved its objective when the 10th NAM summit in Jakarta ended with a condemnation of the ethnic cleansing by Serbs on the other communities. The final document issued yesterday at the end of the meeting with the heads of states and governments expressed the 108-nation movement's deep concern over the atrocities being committed by Bosnians in their own land.

From the outset, Malaysia had voiced its abhorrence of the hostilities and it wanted NAM to come out with a strongly-worded statement on the issue. Towards the end of the six-day summit, there were (?defamations) and disagreements over the wording of the paragraph on Bosnia-Hercegovina. Some countries felt that it should be watered down, should refrain from mentioning the Serbs as the aggressors. The impasse was resolved by the timely intervention of President Suharto as the chairman of the summit.

The Bosnian problem has persisted for too long. The United Nations must take immediate steps to bring the conflict and the continuing carnage to a speedy end. The heads of states and governments of NAM have appealed for international cooperation with the UN in enabling humanitarian aid to reach the Bosnian capital Sarajevo and in other areas where the victims are suffering from starvation and lack of proper shelter. There are hundreds in prison camps and detention centers. Tens and thousands more have been driven out of their homeland and have fled to escape the hostilities at the hands of the aggressors.

There needs to be a concerted effort by the UN to bring the parties involved in the conflict to the negotiating table. There should be no preconditions attached in such a peace process. It was not surprising that the Belgrade government, which was represented at the summit, took offense to the paragraph on ethnic cleansing. It has described the inclusion of the issue as deplorable and as setting a dangerous precedent. The Belgrade regime claims that it is against any form of ethnic cleansing but much of the world is aware that the atrocities being carried out in Bosnia-Hercegovina have the tacit support of Belgrade. NAM has shown that it is not prepared to watch in silence and the cruelty being inflicted on Bosnia go on without respite.

At a meeting with newsmen on his return from Jakarta, Prime Minister Dr. Mahathir Mohamed stated that Malaysia was prepared to grant temporary asylum to Bosnians fleeing Serb atrocities. He also expressed the hope that Malaysians who sympathised with the Bosnians' plight would help them with food and accomodations. Malaysians have always shown that they are ready to extend aid to the poor and the suffering. There is hope that Bosnia's (?sons) is sufficient proof of that attitude.

Canada Says NAFTA Not To Affect Trade Ties

BK0409093692 Kuala Lumpur Voice of Malaysia in English 0800 GMT 4 Sep 92

[Text] Canada does not expect its trade ties with Malaysia to be affected after the formation of the North America Free Trade Area, NAFTA. Visiting Canadian Minister of Industry, Science, and Technology Michael Wilson said this when he called on Deputy Prime Minister Ghafar Baba in Kuala Lumpur. Mr. Ghafar told the Canadian minister that Malaysia had no objection to the formation of NAFTA.

On the other hand, NAFTA members should have no rejection to the formation of the East Asia Economic Caucus, EAEC. The deputy prime minister said that as proponents of democracy, Canada and the United States should give the freedom to developing countries to develop in any way they want.

* Minister Complains to Japan's Home Minister

92P30118A

[Editorial Report] The 4 August Petaling Jaya SIN CHEW JIT POH [SINGAPORE DAILY], a Chinese-language daily, page 6, reports that on 3 August, Datuk Sri Rafidah, Malaysia's Minister of International Trade and Industry, conveyed to Masajuro Shiokawa, Japan's Minister of Home Affairs, who was visiting Malaysia, the "seriousness" with which the Malaysian Government views the actions of "some" Japanese local governments in banning governmental use of wood products, considering that Japan is Malaysia's largest importer of wood products. Datuk Sri Rafidah said that "in addition to conveying to Minister Shiokawa Malaysia's forest protection policy," she also informed him of Malaysia's environmental policy, "which includes industrial pollution."

After their meeting, Datuk Sri Rafidah told reporters: "This is a very important issue because if this kind of trend continues, it will aid the activities of Japan's environmental protection extremists and ultimately lead to their pressuring the Japanese Government to completely ban exports of Malaysian wood products to Japan." The article states that according to Malaysian Ministry of International Trade and Industry data, several Japanese local governments have passed laws which ban governmental departments from using wood products.

Datuk Sri Rafidah commented: "In order to obtain huge tax revenues and at the same time protect our forests, Malaysia is now working to reduce the export of logs and encourage the development of downstream wood industries for the export of wood products overseas." "If Malaysia's downstream industries are also circumscribed, then what will we do?" "If we reduce the felling of trees and reduce the export of logs, why should we still be penalized?"

Bank Reports 8.6 Percent Growth in First Half

BK0609124392 Kuala Lumpur NEW STRAITS TIMES in English 3 Sep 92 p 1

[By Norzita Samad]

[Text] Kuala Lumpur, Wed.—Malaysia recorded a growth of 8.6 percent in real gross domestic product [GDP] during the first half of the year, Bank Negara [Central Bank] Governor Tan Sri Jaffar Hussein said today.

The country is expected to achieve a real GDP growth of more than eight percent next year as indicated by the success in controlling inflationary pressures.

The moderate growth in domestic economy will reduce the current account deficit to 7.8 percent of the GDP this year compared with 10.1 percent in 1991.

The manufacturing, construction, and services sectors grew moderately by between 10 and 13 percent during the January-June period.

In his keynote address at the biennial meeting of the Asia and Pacific Association of Banking Institutes in Kuala Lumpur today, Jaffar said the increase in the Consumer Price Index (CPI) declined to 4.4 percent in June compared with 4.9 percent in May.

He told reporters later that the CPI, which is the yardstick to measure inflation in the country, was expected to "stabilise" because of the government's commitment to maintain price stability.

The high CPI figure in May fuelled speculation that inflation might breach the five percent level before the end of this year.

Jaffar said, however, the high CPI was mainly due to seasonally higher food prices, especially for fish and vegetables.

Over the longterm, the government's objective is to reduce inflation to the historic level of two to three percent.

This objective calls for closer coordination of macroeconomic policies to prevent the economy from prolonged overheating.

Jaffar added that Bank Negara had adopted a tight monetary policy since 1989 to mop excess liquidity in the financial system and curb inflation.

He declined to reveal the current level of excess liquidity, adding that "it is neither excessive nor short."

The stringent monetary policy has pushed up the interest rates, tightened the conditions for consumer credit, and dampened excess demand, especially for private consumption.

For instance, car sales dropped by four percent during the first half of 1992, while bank loans for consumption declined to 19 percent compared with 35 percent a year ago.

Similarly, import of consumer goods slowed down sharply to 5.4 percent during the January-May period.

Singapore

Diplomatic Ties Established With Slovenia

BK0909105492 Singapore THE STRAITS TIMES in English 9 Sep 92 p 23

[Text] Singapore and Slovenia have established diplomatic ties with effect from Monday. Slovenia is the first of the three former Yugoslav republics that Singapore has established diplomatic relations with. Singapore recognised the independence and sovereignty of all three republics—Slovenia, Bosnia-Hercegovina, and Croatia—in May.

Cambodia

ASEAN Opposes Elections Without Khmer Rouge

BK0409123292 Phnom Penh SPK in English 1051 GMT 4 Sep 92

[Text] Phnom Penh SPK September 4—Foreign ministers of the Association of Southeast Asian Nations (ASEAN) said Thursday they were opposed to partial polls in Cambodia following the Khmer Rouge's refusal to participate in the second phase on a United Nations peace plan, AFP reports from Jakarta, Indonesia.

Indonesian Foreign Minister Ali Alatas said he had not yet given up hope that the Paris accord could be implemented in full, adding that he intended to hold talks with Cambodian leader Prince Norodom Sihanouk on the impasse.

Sihanouk said in an interview in Jakarta Wednesday that he had suggested to U.N. officials that the United Nations proceed with organising polls in those parts of his war-torn country not controlled by the Khmer Rouge, because of the radical faction's refusal to demobilise its forces under the plan's second phase.

Sihanouk said that he had been told by Khmer Rouge leaders that they would not compromise on demands that all Vietnamese settlers be evicted from Vietnam [as received] and the Phnom Penh National Assembly dissolved, their preconditions for participating in the plan's second phase.

Alatas said that the U.N. plan called for national reconciliation and elections for all Cambodians.

"As someone who has worked hard on the plan I would rather these elements are maintained," he said.

Indonesia and France co-chaired the talks in Paris that led to signing of the U.N.-brokered peace plan by Cambodia's warring factions. The ASEAN countries, Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand also participated in the talks.

Alatas said that although time was running out for the polls planned in May next year "I haven't given up hope that we can find some way which would allow Democratic Kampuchea (the Khmer Rouge) to join the process."

Thai Foreign Minister Asa Sarasin said he did not think that the situation had deadlocked.

"It is possible that we will be able to resolve this question. We have to wait for the U.N.," he said.

Singapore Foreign Minister Wong Kan Seng expressed concern that partial implementation of the peace plan would effectively partition Cambodia.

"Cambodia is already a very small country, it would be a sad day if it is partitioned along these lines," he said.

(In Phnom Penh, the Khmer Rouge Thursday called for the resignation of the chief of U.N. peacekeeping forces in Cambodia, but a U.N. spokesman said that Yasushi Akashi would not even consider the demand.)

Sihanouk who is attending the Nonaligned Movement summit in Jakarta along with the ASEAN ministers said on Wednesday that he did not think that partial implementation of the peace plan would partition Cambodia. He said that the Khmer Rouge representatives would continue to sit on the Supreme National Council headed by him under the plan.

Phnom Penh Officials To Report Arrests to UN

BK0709074492 Hong Kong AFP in English 0725 GMT 7 Sep 92

[Text] Phnom Penh, Sept 7 (AFP)—Phnom Penh government officials in a northwestern province of Cambodia must report all arrests they make to the United Nations after U.N. peacekeepers found political opponents of the regime hidden in a secret prison, a U.N. spokesman said Monday.

Last month, U.N. personnel in Battambang found two prisons that had not been reported to the peacekeepers even though the provincial officials had been required to submit all the province's jails to U.N. inspection.

Four Khmer Rouge guerrillas and one from the Khmer People's Liberation Front were found in one prison and released by the United Nations, along with seven civilians and a deserter from the Phnom Penh forces, spokesman Eric Falt said.

The Phnom Penh government agreed to grant them liberty, except for the deserter who was handed back to his unit, he said.

From now on, Phnom Penh authorities in the province agreed to report all arrests to U.N. peacekeepers "so we will be able to monitor who these people are, why they are being arrested and to check that they are being given due justice," Falt said.

The second prison in Battambang that was not reported to the United Nations was empty when peacekeepers arrived, he said.

Government Soldiers Reportedly Fire at UN Boat

BK0609112692 Hong Kong AFP in English 1108 GMT 6 Sep 92

[Text] Phnom Penh, Sept 6 (AFP)—Phnom Penh government soldiers fired at a U.N. naval patrol boat that was attempting to halt extortion and piracy on Cambodia's rivers, a U.N. spokesman has said.

In addition, several ethnic Vietnamese fishermen have been murdered in robberies on the Mekong and Tonle Sap rivers running through central Cambodia, spokesman Eric Falt said late Saturday.

On Wednesday, two U.N. peacekeepers rode a ferry from Kompong Cham to Kratie provinces while four U.N. boats followed behind. Armed soldiers intercepted the ferry with a small craft and demanded money at gunpoint from the passengers, Falt said.

They fled when peacekeepers asked them to stop, and when U.N. patrol boats intercepted their craft, the soldiers jumped in the water and swam away, Falt said.

The two other U.N. boats saw the piracy commanded from the riverbank and attempted to approach the shore, but they were fired on, Falt said.

No bullets hit the U.N. vessels, he said, adding that the attackers got away.

Earlier in the same area, two men who appeared to be Khmer Rouge guerrillas approached some fishermen and demanded money, which was handed over, Falt said.

But when another group of guerrillas approached the same fishermen to demand more money, they attempted to escape and one was killed, the spokesman said.

Last week in the sea around Kampot in southern Cambodia, Phnom Penh government soldiers in a boat robbed some fishermen, said U.N. provincial director Antony Lydon.

"There's only so much activity they can do now on land," he said.

U.N. military patrols on land are thwarting the bandits and appear to be forcing them out to sea, but naval patrols have only a rubber dinghy with which to combat them, Lydon said.

Setting Up of Four-Party Security Force Urged

BK0509041892 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Sep 92

[Unattributed commentary: "If the UNTAC [UN Transitional Authority in Cambodia] Chief Asks Thieves To Find and Arrest Thieves or if UNTAC Accompanies Thieves To Try To Find and Arrest Thieves, the Latter Will Certainly Not Be Found"]

[Text] It has been heard that (Hun Saroeun), former puppet general secretary in Phnom Penh, and UNTAC are preparing forces to fight banditry occuring everywhere, particularly in Phnom Penh City. On this issue, people in Phnom Penh, for example those at markets in O Russei, Phsa Thmei, Chba Ampeou, Tuol Tumpoung, Olympic, and Kilometer 6, have almost laughed their heads off.

The people say that bandits who have robbed gold, radio, and watch shops, and passengers of small and big cars, all come from units of the puppet army or police, and Vietnamese soldiers hidden in puppet army units and among Vietnamese nationals in various provinces and Phnom Penh. How can Vietnam's puppets be expected to lead UNTAC to find thieves, since Vietnamese soldiers are right above their puppets, having firm control of them.

On this matter, UNTAC will be made a fool by Vietnam's puppets. A former police officer dealing with security says that UNTAC cannot find thieves since the latter's chief is with UNTAC. The best measure is for UNTAC not to allow only Vietnam's puppets alone to lead UNTAC to find thieves. A four-party public security force should be set up, including UNTAC, in order to prevent and combat banditry. Furthermore, this would also protect the Cambodian people's lives in general; otherwise, the Vietnamese and puppets will assassinate people, or members of political parties opposing Vietnam, to eliminate evidence. For example, they have murdered people in Kandal Stoeng, Memot, Phnom Penh. More recently the Vietnamese and their puppets murdered (Duong Leap), an official of the Buddhist Liberal Democratic Party of His Excellency Son Sann in Kompong Som.

Students Exchange Views on UNTAC Chief Akashi

BK0509042492 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Sep 92

[Text] On 25 August, a group of students in Phnom Penh exchanged views on the activities by [UNTAC—UN Transitional Authority in Cambodia—chief Yasushi] Akashi in implementing the Paris agreement. Here are their views:

I. This is our question: What are the United Nations' objectives in naming Akashi as representative to Cambodia? To get Vietnam out of Cambodia so that Cambodia can regain peace and independence or to leave Vietnam in control in Cambodia?

All of us, who have been closely following the work of Akashi in implementing the Paris agreement, realize that:

1. Akashi has cooperated with Vietnam and its puppets to carry out questionable activities to prevent the Supreme National Council [SNC], which the agreenment clearly says is the legitimate and the sole source of power in Cambodia during the transitional period, from having any power;

2. Akashi has collaborated with Vietnam and its puppets and has not checked to make sure that the Vietnamese aggressors are out of Cambodia;

3. He has grossly decided that Vietnamese can vote in Cambodia;

4. He has forced resistance groups, particularly the Democratic Kampuchean forces, to enter the second phase of the cease-fire in a situation in which Vietnamese aggressor forces are still in Cambodia and attacking the resistance forces on battlefields;

5. Akashi has even grossly banned and suppressed the Cambodian people's right to speak out against the Vietnamese aggressors, expansionists, and territorial annexationists.

II. Through the above activities by Akashi, we have clearly determined that Akashi is coming to Cambodia not to find peace for the Cambodian people; on the contrary, Akashi has been engaged in provoking and oppressing the Cambodian people and the Cambodian national resistance forces. He has carried out all kinds of maneuvers to maintain Vietnamese aggressor forces and Vietnam's puppet regime and allow them to continue controlling Cambodia. In fact:

1. Akashi has used the SNC label to plunder international aid to assist the puppet regime and unilaterally make decisions, despite categoric opposition by the Democratic Kampuchea side;

2. Laws, such as the election law and Cambodia national laws, have been promulgated with the sole goal of preserving Vietnamese aggressor forces and the puppet regime, suppressing the Cambodian people's rights, and using rights to arrest the Cambodian people.

Therefore, acting this way, is Akashi suitable to represent the United Nations and UNTAC? Can the Cambodian problem be resolved? Can the issue of Vietnam's aggression against Cambodia be settled? The UN is seeking to solve global problems; will its honor be affected?

The Cambodian people and people in the world will have no trust in the United Nations if Akashi is allowed to set a bad example. Therefore, national and foreign opinion should consider the idea of warning Akashi or removing him from his position.

Khmer Rouge 22-25 Aug Military Actions Reported

BK0209080192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 21 Sep 92

[Text] Since the Paris agreement was signed, particularly during the second phase of the agreement's implementation, a step leading toward free and fair elections in Cambodia to bring peace and security to our Cambodian people and motherland, the Khmer Rouge not only have refused to take part in implementing the agreement but have also created all kinds of obstacles to the peace process, particularly the use of military actions full of cruelty and barbarity to cause bloody war—this is their policy and habit—to threaten peace in Cambodia.

It is true that the path chosen by the Khmer Rouge is to wage war in order to seize power militarily. This is why to this day the cease-fire's violations committed by the Khmer Rouge still continue against the People's Army of the State of Cambodia.

According to reports from the Military Coordination Committee of the Defense Ministry, on 24 August, from 0930 to 1745, the Khmer Rouge fired approximately 100 H-107, DK-82, and 82-mm mortar shells, and launched attacks against positions of the Cambodian People's Army [CPA] in O Pou Village, Chas Commune, Kompong Thom Province, seriously wounding two combatants.

On 22 August, people in Prasat Balang District, Kompong Thom Province, uncovered two arms caches of the Khmer Rouge and recovered an RPD gun, a B-40.5 rocket launcher, two sacks of rice, and an SK rifle.

In Kampot Province, on 25 August at 0730, about 30 Khmer Rouge soldiers led by (Rot) carried out destructive activities in Sre Chea Commune and abducted a CPA soldier, who was helping his family roofing their house. At 0740 on 25 August, the Khmer Rouge launched a brutal attack against the position of the CAP's 2d company in Trapeang Veng Kraom, Dang Tong District, Kampot Province, killing one.

The violations of the Paris agreement through bloody fighting using military forces and the various destructive activities carried out by the Khmer Rouge represent a perfidious maneuver to avenge the people and to bring back the disaster of the past to Cambodia.

FULRO Hill-Tribe Rebels Ask UN Assistance

BK0209054992 Phnom Penh SPK in English 0415 GMT 2 Sep 92

[Text] Phnom Penh SPK September 2—The United Nations will send a team to help a group of stricken hill-tribe rebels operating along Cambodia's border with Vietnam, said AFP in a report citing a UN spokesman Tuesday.

The United Front for the Struggle of Oppressed Races, known by its French acronym FULRO, has been fighting the Vietnamese from Cambodia's soil with the backing of the United States and the Khmer Rouge since the 1970s.

Now with UN peacekeepers attempting to implement a treaty ending the Cambodian civil war, FULRO has nowhere to go.

"This is a group that's unwanted basically anywhere. They need help," said UN Spokesman Eric Falt.

The group has applied for refugee status to the UN High Commissioner for Refugees (UNHCR). The 407 FULRO members—including women and children—want to join relatives already granted asylum in the United States and France, Falt said.

About 300 members of the group are ill, suffering from various maladies, including malaria and dysentery, Falt said.

"They are as much in need of medical assistance as refugee status," Falt said.

UNHCR Spokeswoman Annick Roulet said a UN team was travelling to the province of Mondolkiri, 25 kilometers (15 miles) from the Vietnamese border to see how to help.

FULRO has about 200 armed fighters carrying antiquated U.S. Government weapons, but they have not been active for many years except for self-defense, Falt said.

They no longer receive outside support and are not regarded as foreign force that would qualify for expulsion under the peace agreement, he said.

The group has been attacked by both Phnom Penh government forces as well as Vietnamese troops.

FULRO cannot be disarmed under the UN peace plan because it was not accounted for during the peace process, Falt said.

Political Parties Said Seeking Popular Mandate

BK0409032392 Bangkok BANGKOK POST in English 4 Sep 92 p 4

[From the "Asia Pacific Focus" column by Jacques Bekaert: "Khmer Parties Seeking Popular Mandate"]

[Text] Phnom Penh—On Acharn Mean boulevard, Vietnamese carpenters are adding a few finishing touches to the impressive headquarters of the Liberal Democratic Party of General Sak Sutsakhan. General Sak was the commander in chief of the Khmer People's National Liberation Armed Forces [KPNLF] under former prime minister Son Sann. He broke away from the KPNLF in December 1986.

The office of Mr Son Sann's Buddhist Party is located not far away. It receives more attention from the ever-present gentlemen from the Ministry for National Security. A couple of blocks from General Sak's headquarters, on street 114, are two, impressive villas which house the offices of Prince Norodom Ranariddh's FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], the Sihanoukist political party that used to be one of the major components of the Coalition Government of Democratic Kampuchea.

The FUNCINPEC seems to be the busiest of all political party headquarters. There is a constant flow of visitors, many from the provinces. But when I ask one of the guards if I could get a copy of the party's electoral programme he look at my bicycle, and decide that I'm not worth his time and attention. [sentence as received]

The political headquarters and the small groups of people who gather there to read the bulletin board, are visible signs that Cambodia is slowly moving into the complex world of political pluralism. "Pluralism is not something we know very well," a senior cadre of the ruling Pracheachon (People's) Party of Cambodia (PPC) once told me. "Power," he said, "either you have it and try to keep it or you don't have it and you try to get it."

"If you have it," he added, "why would you share it?" The PPC leadership is certainly wondering how it is going to keep its power. And it probably realises that it may have to share the power after the general election. "This is a very new idea for our members," said a senior Party official. "They tend to see members of other political factions as enemies, not just as simple rivals."

A few weeks ago the PPC held an extraordinary congress, which marked the re-emergence of Mr Hun Sen as the strongest leader in the PPC. The party changed its logo, and praised Prince Sihanouk for his effort to bring about national reconciliation. More importantly, the militants many of whom grew up politically in the Khmer Rouge-dominated communist party in the Sixties and Seventies, were told to be prepared to share power after the elections and get into an alliance with "anyone who accepts national reconciliation and rejects genocide."

As usual, there was no debate during the congress. Attendance was by invitation only. The list of guests—drawn up by the central leadership—drew the ire of provincial leaders who thought they should have something to say in the selection of attending cadres from their region. The delegates heard a series of speeches, approved everything and returned home.

The congress was informed that two new members had joined the Standing Committee (the new name of the Politburo): Mr Kong Sam-ol, who is already a member of the Central Committee, and Prince Norodom Chakkrapong, deputy prime minister since the beginning of the year and former deputy commander of the Sihanoukist army. "The party leadership is convinced that he (Prince

Chakkrapong) will be an electoral asset to the PPC being a member of the royal family, a son of Prince Sihanouk," said a congress participant.

The last point may represent a bit of wishful thinking—the genuine popularity enjoyed by Prince Sihanouk is not automatically bestowed on other members of the royal family. The appointment of Prince Chakkrapong could be an attempt to check the growing popularity of the FUNCINPEC and its leader Prince Ranariddh.

Seventeen more people, most of whom are provincial party chiefs, were added to the Central Committee. Their presence among the top leadership should strengthen the PPC's political base outside Phnom Penh. These people are faithful. They have multiple connections with the party and they have a network of friends and families, one inside source said.

The KPNLF of Mr Son Sann has taken a highly visible position since last November. It came out strongly against official corruption and challenged the human rights record of the PPC. This made the KPNLF more popular among the intellectuals and students. The popularity of the KPNLF seems to have peaked at the time of its congress, held earlier this year. Many foreign observers and some Cambodians however, are wondering whether the radical anti-Vietnamese stance adopted by Ieng Muli and other KPNLF officials would lead to a dangerous confrontation which in the end might ruin Cambodia's chances of gaining peace.

The FUNCINPEC has been busy establishing provincial branches. One of its new members is Mr Ung Phan, a former Minister of Communication and Transportation in the Phnom Penh government. A close friend of Prime Minister Hun Sen, he was arrested in May 1990 for trying to challenge the PPC's monopoly on power. From an electoral point of view, Mr Ung Phan could attract some support from urban intellectuals because he was "a genuine dissident," said a Vietnamese source in Phnom Penh.

A multitude of small parties have appeared, but many are run by enterprising individuals who merely want to capitalise on the present climate of electoral competition. No one expects the Neutralist Party of Mr Buor Herl or the Republican Khmer Party of Mr Tit Ngoy to win much more than the votes of their founders.

Among the new parties, only a handful are considered serious enough to challenge the four members of the Supreme National Council. Various diplomatic and local sources believe that among those with some potential appeal are the Liberal Democrats of General Sak Sutsakhan, who enjoys financial support from friends in the United States and benefits from the image of being a party supported by the Americans. "People are fed up with communism and socialism, they want capitalism even if they are not sure what it means," said an Asian diplomat in Phnom Penh. "They say that Sak is the favourite of Washington, a point that definitely plays in his favour."

Former provincial governor and prime minister In Tam (who in 1981 became the first commander-inchief of the Sihanoukist army) is still popular in the provinces he once administered. Mr In Tam came back to Phnom Penh in 1989 but refused to take any official positions and often warned the local authorities that they were committing the same mistakes as the Lon Nol administration, and that corruption would cost them a lot. Mr In Tam has a genuine concern for the peasant population and his Democrat Party could win some seats. He, too, has a support base among Cambodian expatriates in the United States.

Another new party that may do well in the elections is the Action for Democracy and Development Party (ADD) led by Mr Chak Saroeun, another former Sihanoukist minister of the Coalition Government. Mr Saroeun is one of the few Khmer politicians who dare to take a moderate approach to the problem of the Vietnamese-settlers in Cambodia. But, said a Western diplomat, "it remains to be seen if he will be capable of maintaining this commendable moderate line under the pressure of more radical members of his own party."

Mr Chak Saroeun was in Phnom Penh recently where he had a long meeting with the UNTAC [United Nations Transitional Authority in Cambodia] chief. He decided to establish the party's headquarters outside Phnom Penh to emphasise his concern for the rural population.

And the Khmer Rouge? In a recent interview with the MAINICHI SHIMBUN, Ieng Sary, one of the key leaders of the Partie [as published] of Democratic Kampuchea (PDK) said that his faction could boycott the coming elections unless there is confirmation of the full withdrawal of Vietnamese forces and if the power of the SNC is reinforced. He suggested that the PDK may end up supporting what he called "patriotic candidates" from other factions.

The Khmer Rouge could also run under the banner of a new party. A few possible names are being circulated in the Cambodian capital. Will it be the Great People's Union Party, the Patriotic Party, or the Social People's Party? The fact is that many Khmers seem to wish for at least a small representation of the PDK in the National Assembly and even in the next Cambodian government.

Very few Khmers would like to see the Khmer Rouge come back to power, but a surprisingly large number of Cambodians appear to want them to stay as a political force to guard against political abuses and corruption—and to protect what a senior PPC cadre called "the integrity of the Khmer nation.

U.S. Columbia University Delegation Pays Visit

Received by General Tie Banh

BK0109072992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 31 Aug 92

[Text] On the morning of 28 August at the office of the Foreign Military Relations Department of the Defense

Ministry, His Excellency [H.E.] General Tie Banh, member of the Standing Committee of the Cambodian People's Party Central Committee, vice chairman of the Council of Ministers, defense minister, and member of the Cambodian Supreme National Council [SNC], held talks with a delegation from Columbia University led by John Bresnan, executive director of the Pacific Region Studies, Far East Institute, of Columbia University, which was on a three-day fact-finding visit to the State of Cambodia from 26 to 29 August.

Responding to questions dealing with the military situation in the process to implement the peace agreement in Cambodia, H.E. Gen. Tie Banh stressed the spirit and goodwill of the State of Cambodia to respect and correctly implement the Paris agreement. The general also clarified the issue of tempoprary demobilization of troops by clearly assesssing the situation relating to the military, political, and economic situation in Cambodia.

Answering the question on whether the Khmer Rouge could return to the agreement, H.E. Gen. Tie Banh stressed that so far, as in the past, the Khmer Rouge will in no way change their ideas; they still have perfidious maneuvers; their activities and attitude are still brutal and savage. In sum, they do not have a compromise attitude which can be taken to mean that theywould sincerely return to agreement. It is obvious that the Khmer Rouge maneuvers and activities are shown in other ways besides on the battlefields through successive violations of the cease-fire. Even Khieu Samphan, a member of the SNC representing the Khmer Rouge, has frequently voiced opposition to the implementation of the Paris agreement. Therefore, there is no doubt that the Khmer Rouge remain Khmer Rouge and that the danger of the past is still a threat to the people and the motherland when the Khmer Rouge return to power again.

Received by Chairman Hun Sen

BK0109073392 Phnom Penh SPK in French 0418 GMT 1 Sep 92

[Text] Phnom Penh 1 Sep (SPK)—Hun Sen, chairman of the Council of Ministers of the State of Cambodia, recently received in Phnom Penh a delegation from Columbia University led by Professor John J. Bresnan.

Chairman Hun Sen informed John J. Bresnan of the situation in Cambodia since the implementation of the Paris agreement and the goodwill of the State of Cambodia in settling the Cambodian problem politically. He also informed the delegation of the obstacles created by the Khmer Rouge to hinder the peace process in Cambodia.

For his part, John J. Bresnan thanked Chairman Hun Sen for briefing him on the situation in the country and affirmed that all this information will largely contribute to the book he is writing on Cambodia.

John J. Bresnan was also received by Tie Banh, State of Cambodia's defense minister, who informed the delegation from Columbia University about the efforts of the State of Cambodia's Armed Forces to implement the cease-fire and also about the Khmer Rouge's violations of the Paris agreement.

The delegation from Columbia University, which arrived in Cambodia on 26 August, aims to inform itself on the implementation of the Paris agreement by the four Cambodian factions.

French Deputy Foreign Minister Arrives for Visit

BK2808115992 Phnom Penh SPK in French 1112 GMT 28 aug 92

[Text] Phnom Penh 28 Aug (SPK)—A delegation of the French Republic headed by Mrs. Catherine Touca, deputy minister of foreign affairs, arrived in Phnom Penh on 27 August for a three-day official visit to Cambodia. The French minister was greeted at Pochentong Airport by her Cambodian counterpart, Mr. Sek Sitha, and French ambassador extraordinary and plenipotentiary to the Supreme National Council (SNC), Mr. Philippe Costes.

During their visit from 27 to 29 August, Mrs. Catherine Touca and her party will be received by Prince Norodom Sihanouk, head of state and chairman of the SNC. They will also meet with Mr. Hun Sen, chairman of the Council of Ministers of the State of Cambodia and member of the SNC, and Mr. Hor Namhong, minister of foreign affairs and member of the SNC.

The French guests will also visit the Alliance Francaise and other cultural centers in Phnom Penh.

Leaders Greet SRV Counterparts on National Day

BK0409044392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 3 Sep 92

[Text] His Excellency [H.E.] Heng Samrin, chairman of the State Council; H.E. Chea Sim, chairman of the National Assembly; and H.E. Hun Sen, chairman of the Council of Ministers of the State of Cambodia [SOC], recently conveyed a greetings message to H.E. Vo Chi Cong, chairman of the State Council; H.E. Le Quang Dao, chairman of the National Assembly; and H.E. Vo Van Kiet, chairman of the Council of Ministers of the SRV.

The following is the essence of the message:

On behalf of the SOC's State Council, National Assembly, and Council of Ministers and the entire Cambodian people, we are extremely pleased to extend our warmest sentiment and greetings to all of you and, through you, to the SRV's State Council, National Assembly, and Council of Ministers and the heroic Vietnamese people on the 47th anniversary of the August Revolution and 2 September National Day of the

SRV. We firmly believe that under the leadership of the Communist Party of Vietnam, headed by their intelligent leader H.E. Do Muoi, the Vietnamese people will achieve still greater new successes in the implementation of reforms and national construction tasks defined by the Seventh Party Congress.

Availing ourselves of this solemn occasion, we would like to wish you and the heroic Vietnamese people all the best. May all of you have the best of health and longevity and score new immense successes in the performance of your noble tasks.

Indonesia

Commentary Reviews Nonaligned Summit Achievements

BK0709153992 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 7 Sep 92

[Station commentary]

[Text] Dear listeners! The Jakarta Message marked the successful ending of the 10th Nonaligned Movement (NAM) summit that closed yesterday afternoon. In contrast to previous NAM summits, almost all delegates from the 108-member nations were present at the closing ceremony. A prolonged debate before the political committee reached an accord caused a five-hour delay in the closing of the summmit. Debate on the economic issues by the economic affairs committee was concluded on the previous day.

The economic committee's ability to complete the final draft of the resolution on schedule indicated the seriousness of all participants to seek a solution to urgent problems facing the South and to make the Jakarta NAM summit instrumental in overcoming economic problems being faced by the South.

The lengthy debate on the political issues proves that there was readiness by the committee members for an open dialogue session on issues that have not been resolved so that there will be no diversity of views on the same issue at other forums.

The 27-paragraph Jakarta Message contains wide-ranging global issues such as those in the fields of politics, economy, and social culture. The final document that deals with the political aspect reaffirms the differing views of the NAM member countries on the Palestinian struggle and the apartheid policy in South Africa.

On the Bosnia-Hercegovina issue, even though the NAM strongly condemns the ethnic cleansing by Serbs in Bosnia, the movement would not interfere in the issue because it has been, and is currently being handled by the United Nations.

On the issue of hunger problem facing Somalia, the NAM has recommended $250,000 in financial aid be channeled to Somalia through the Africa Fund to alleviate the suffering of the people.

In the paragragh that deals with South-South cooperation, dramatic and realistic steps have been taken to reactivate the Uruguay Round and promote a fairer North-South cooperation, and to pay more attention to the interests of nation building in developing countries.

An atmosphere which was full of harmony and solidarity was conspicuous right from the first day of the summit to the closing day yesterday. This is proof that the NAM is still relevant in the post-cold war era. The movement is capable of becoming a force that has a constructive concept in its struggle to create a new international economic order, to revitalize, restructure, and democratize the United Nations.

Indonesia, as the host and new chairman of the NAM, has managed to overcome all challenges to ensure the continuity of NAM amidst the world which is undergoing rapid changes. Indonesia has also been successful in ensuring that the summit proceeded smoothly from the start until the delegates returned home. The additional programs for the wives of the delegates and a visit by delegates to Bandung where the NAM was formulated have contributed to the success of the NAM summit.

The summit in Jakarta is over. But for members of the NAM under the chairmanship of Indonesia for the coming three years, is the beginning of a struggle to implement all the resolutions adopted at the 10th summit.

Dailies Welcome Results of Nonaligned Summit

BK0809095092 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 7 Sep 92

[From the press review]

[Text] MERDEKA believes that the Jakarta Message will echo around the world following the conclusion of the 10th Nonaligned Movement [NAM] Summit. The message, which represents [words indistinct] of the ten Bandung principles, firmly rejects the unilateral use of force and claims to the territory of another country. Thus, the daily says that the Nonaligned Movement has, through the Jakarta Message, renewed its confidence that peaceful means in the form of talks and dialogue must be firmly maintained and undertaken to settle a dispute in any territory.

Meanwhile, SUARA KARYA asserts that the Bandung spirit inspired the birth of the Nonaligned Movement. Because of this, Indonesia will be challenged to successfully lead the Nonaligned Movement in the next three years—something that will essentially be an historic task and a manifestation of the Bandung spirit.

BERITA YUDHA agrees with SUARA KARYA and MERDEKA. The paper even notes that the Bandung spirit was alive in the heart of each NAM leader when the 10th NAM summit 1992 ended yesterday. The Bandung spirit subsequently enabled the NAM summit to achieve the desired results.

In the meantime, KOMPAS notes that there was a turning point in the direction of the Nonaligned Movement during the 10th summit in Jakarta because the Nonaligned Movement also had to offer concrete proposals in response to global changes as well as to concretely strive to improve the socioeconomic life of the peoples of its member countries. This gives historic momentum for the Indonesian people entrusted with the movement's leadership amid extraordinary changes which are not only posing challenges but are also offering opportunities. For this reason, the daily says that Indonesia's tasks to lead and inspire the movement as well as to implement the decisions of the NAM summit in Jakarta require the support and involvement of all sides.

SINAR PAGI contends that the 10th NAM summit successfully reviewed various problems gripping the world. In addition, the NAM summit managed to anticipate great changes in the world constellation and discuss diverse statements and views. The daily also underlines President Suharto's hope that plans and decisions made during the summit will be implemented. This means that each delegation has the duty to convey the decisions embodied in the Jakarta Message to the peoples to enable us to realize our common goals.

Meanwhile, another daily, PELITA, reminds Indonesia to translate the hopes of the NAM members into reality. This task, though difficult, must be implemented to preserve the image of the nation which has already gained the world's trust.

Australia's Evans Praises Leadership in NAM

BK0309045192 Jakarta TVRI Television Network in Indonesian 1430 GMT 2 Sep 92

[From the Nonaligned Summit Review]

[Text] Foreign Minister Gareth Evans, a representative from our neighboring country, Australia, is attending the 10th Nonaligned Movement [NAM] summit as an observer. He has welcomed the NAM's agendas, which also cover North-South relations.

Gareth Evans said the NAM agendas completely cover economic, political stability, and overall peace. He also expressed confidence over Indonesia's leadership as NAM chairman and that the agenda concerning international issues would be effectively undertaken by Indonesia.

Replying to a question concerning Indonesia's leadership, Gareth Evans considered Indonesia's role as one of utmost importance because Indonesia is one of the potentially rapid developing nations with a good international reputation.

Evans also stated that Indonesia is also considered capable of restructuring constructive approximations concerning economic and peace issues. He also expressed confidence that Indonesia's leadership role would prove successful during the next three-year term as NAM chairman. He added that Australia is hopeful that a dialogue would be held concerning problems faced by NAM.

Replying to questions on the developing nations' capability of improving their economic situation, Australian Foreign Minister Evans stressed that the existence of a free market is of utmost importance. In relation to this issue, various opportunities exist in the developed nations' markets for the develolping countries' products. Evans also stressed that the agenda concerning free market accessibility is not only being discussed in the NAM, but the issue has currently become a global problem.

Suharto To Attend UN Session in New York

BK0909060092 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 9 Sep 92

[Text] President Suharto is scheduled to leave for New York on 20 September. Minister and State Secretary Murdiono told newsmen that President Suharto, to be accompanied by Mrs. Suharto during the visit, would attend the UN session on 24 September and deliver a speech before 450 U.S. businessmen on 25 September. The speech is expected, among other things, to touch on the investment climate in Indonesia. In this connection, the president instructed several high-ranking officials to take follow-up steps to implement the decisions of the tenth summit of the Nonaligned Movement in Jakarta.

Laos

Kaysone Phomvihan Returns From NAM Summit

BK0709025492 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 7 Sep 92

[Text] Kaysone Phomvihan, president of the Lao People's Democratic Republic [LPDR], arrived in Vientiane by special plane on the evening of 6 September after concluding his participation in the 10th summit of the Nonaligned Movement [NAM] held in Jakarta, Indonesia, from 1 to 6 September, at the invitation of Suharto, president of the Republic of Indonesia.

The LPDR president's plane landed at Wattai airport at 1710, where an official welcoming ceremony was held. Nouhak Phoumsavan, chairman of the Supreme People's Assembly; Khamtai Siphandon, prime minister; members of the cabinet; and a large number of high-ranking civilian and military authorities were at the airport to welcome the president. Upon disembarking from the plane, the president shook hands with Nouhak Phoumsavan, Khamtai Siphandon, and other leaders in order of rank. He was then accompanied to the reviewing stand to pay homage to the national flag while the Lao

People's Army band played the national anthem. After that, the president reviewed the Honor Guards and walked past and waved to the welcoming crowd. The motorcade took him to his official residence afterward.

Kasman Pahala Siahaan, Indonesian ambassador extraordinary and plenipotentiary to Laos, was also on hand at the airport to welcome the state president.

Kaysone Phomvihan Meets Suharto in Jakarta

BK0809144592 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 8 Sep 92

[Text] On Sunday, 6 September, President Kaysone Phomvihan of the Lao People's Democratic Republic [LPDR] met with President Suharto of the Republic of Indonesia for 40 minutes in Jakarta on the occasion of the former's participation in the 10th Nonaligned Movement [NAM] summit held from 1-6 September in Jakarta.

During the meeting, President Suharto thanked President Kaysone Phomvihan for his acceptance of an invitation to participate in the 10th NAM summit. Suharto said that the participation in the meeting and the opinion of the LPDR president obviously added more weight and importance to the conference.

The Indonesian president noted that, apart from being an important political forum for the developed countries, the NAM has also combined the power of various developing countries to act in response to the industrialized countries, thus making them take into account the opinions and interests of the poor and developing countries. Suharto went on to say that this NAM summit also provided opportunities for the group of developing countries to discuss and exchange views on further developing and consolidating political and socioeconomic cooperation with each other. The Indonesian president said that Indonesia is based on the three factors in national development—political, social, and economic stability; expansion; and distribution.

LPDR President Kaysone Phomvihan then expressed sincere thanks to President Suharto for the warm welcome accorded to the Lao delegation. He congratulated the organizing committee of the NAM Summit and President Suharto for the success of the meeting. Despite differences in ideas and opinions, the meeting was able to achieve unity satisfactorily.

Kaysone Phomvihan said that in the final statement of the meeting, the NAM has shown to the world its determination to tackle various problems, compromise, and all-round cooperation. Economic development is the most important and most desired. The NAM must have firm solidarity among its member countries.

On the relations and cooperation between Laos and Indonesia, Kaysone Phomvihan emphasized that the two countries share some similarities. For example, both countries have spent several decades in struggling for independence and national soverignty. Although Laos is a small country, has small population, and is still underdeveloped, the Lao Government and people have relentlessly tried to solve various problems step by step.

In the last part of the meeting, Suharto said that Indonesia was ready to cooperate with Laos in exchanging experience and technology in various fields and in socioeconomic development, such as assistance in training and exchanging experience in trade and agriculture.

Phoun Sipaseut, deputy prime minister and minister of foreign affairs of Laos, and Phanthong Phommahasai, Lao ambassador to Indonesia, were also present at the meeting, which proceeded in an atmosphere of cordiality and friendship from start to finish.

Ministry Reports Kaysone Meetings With Leaders

BK0909092192 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 8 Sep 92

[Excerpt] An official from the Ministry of Foreign Affairs Press Department, citing reports by the International Organizations Department, disclosed that during the 10th Nonaligned Movement summit in Jakarta from 1-6 September, His Excellency [H.E.] President Kaysone Phomvihan of the Lao People's Democratic Republic met with leaders and personalities of the various countries.

On 30 August, H.E. President Kaysone Phomvihan was accorded a warm welcome by President Suharto of the Republic of Indonesia at Jakarta's Halim Perdanakusumah Airport.

On 31 August, at 1000, H.E. Kaysone Phomvihan met with Samdech Norodom Sihanouk, president of the Supreme National Council of Cambodia. On this occasion, the two leaders exchanged views on the progress of the implementation of the Paris accord on Cambodia. The meeting proceeded in a warm and friendly atmosphere. [passage omitted]

Savannakhet Signs Memoranda With SRV Provinces

BK0609081692 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 3 Sep 92

[Text] In late August in Savannakhet Province, the Lao province and the SRV's Quang Binh Province signed a memorandum on further enhancement and improvement of socioeconomic relations, assistance, and cooperation between the two provinces in a more efficient manner.

According to the memorandum, the two provinces agreed to provide conveniences for businessmen from both countries in trading cooperation, exchanges of goods, and joint venture operation.

They agreed to further improve facilities and provide necessary knowledge and information for both Lao and Vietnamese peoples living along the common border to be able to communicate and carry out border trading activities with each other appropriately in accordance with laws and rules and regulations of each country.

The agreement also includes cooperation in granting permission for tourists wishing to visit the two provinces.

Such agreement stated in the memorandum was made during the visit to Savannakhet by a delegation of the Quang Binh Province in late August. The memorandum was jointly signed by Boun-gnang Volachit, governor of Savannakhet Province, and Tran Dinh Luyen, secretary of the Quang Binh Province party committee.

In addition, in the same month the Savannakhet governor also signed two memoranda on socioeconomic relations and cooperation with leading authorities of Quang Tri and Thua Thien-Hue Provinces during his visits to the two Vietnamese provinces.

Agreement Signed on Cooperation With Canada

BK0809093892 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 8 Sep 92

[Text] Late last week, Chanpheng Bounnaphon, vice chairman of the National Chamber of Trade and Industry, and (Soulin Soutthakeson), vice chairman of the Lao-Canadian Chamber of Trade, signed an agreement on promoting trade cooperation between Laos and Canada. The agreement stipulates that the two sides will cooperate in exchanging information and data on trade laws which are vital to trade and investment development and in providing convenient facilities to Lao businessmen for carrying out goods exchanges for mutual benefit.

Outcome of Cooperation Meeting With France Noted

BK0309133892 Vientiane KPL in English 0906 GMT 3 Sep 92

[Text] Vientiane, Sep 3 (KPL)—The aim of the visit to Laos is to discuss the upgrading of the cultural cooperation including the cooperation in science, education, public healh, agriculture and others between France and Laos.

This was stated by Mrs Catherine Tasca, French deputy minister of foreign affairs, in charge of French-speaking countries and cultural relations with overseas, at the press conference held here on September 1 on the outcome of the discussion with the Lao side about the future project of Lao-French cooperation before the delegation returned home on the same day.

During the visit to Laos, the French delegation and the Lao side prepared a lateral cooperation plan for 1993 concentrating on some major guidelines: French teaching programme, the training of technicians in different fields, the upgrading of cultural cooperation with an orientation to cultural investment of France in the Lao PDR [People' Democratic Republic] by using French language including in this the exchange of study tours of Lao and French technicians.

The two countries will improve and increase the cultural relations and cooperation by increasing the number of Lao technicians to go on study tours in France.

Mrs. Tasca pointed out that French language is spoken among only officials of 40-50 years old and more, by adding that at present emphasis is put on learning English language mostly.

The promotion of learning French language must be carried out immediately, and it would be a good and useful development. Campaign of encouraging young people particularly to pay more interest to learning the French language should be encouraged, Mrs. Tasca stressed.

Messages Exchanged on CSFR Ties Anniversary

BK0509113292 Vientiane KPL in English 0919 GMT 5 Sep 92

[Text] Vientiane, Sept. 5 (KPL)—On the occasion of the 30th anniversary of the establishment of the diplomatic relations between the Lao PDR [Lao People's Democratic Republic] and the Czech and Slovak Federal Republic [CSFR] (Sept 5,1962-Sept 5,1992), the foreign ministers of the two countries exchanged telegrams of congratulations and best wishes.

In his message, Phoun Sipaseut indicated to his Czech and Slovak counterpart Mr. Jozef Moravcik, and through him to the government and people, the Lao side's conviction that the existing relations of friendship, and cooperation would be continually prospered for the benefits of both nations, thus contributing to peace, friendship and cooperation.

Phoun Sipaseut Greets Poland on Ties Anniversary

BK0909065892 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 9 Sep 92

[Text] His Excellency [H.E.] Phoun Sipaseut, deputy prime minister and minister of foreign affairs, has sent a congratulatory telegram to H.E. Krzysztof Skubiszewski, foreign affairs minister of the Republic of Poland, on the occasion of 30th anniversary of the establishment of diplomatic relations between Laos and Poland, 8 September.

Marking the occasion, H.E. Phoun Sipaseut conveyed his sincere congratulations to the Polish foreign affairs minister. The Lao foreign affairs minister also expressed his confidence that the long existing relations of friendship between the two countries and their governments would constantly continue to develop for the mutual interests of the two peoples, as well as for world peace, stability, and cooperation.

Business Conference Concludes in Vientiane

BK0809093692 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 8 Aug 92

[Text] The conference of businessmen from Vientiane Province and Vientiane Municipality to encourage business enterprises to fulfill their obligations to the state and to allow state agencies and business enterprises to exchange views on seeking ways to exploit income sources for budgets was successfully closed on 5 September.

During the two-day session, the conference permitted all participating businessmen to excercise their democratic rights by sincerely pointing out the strong and weak points in fulfilling their obligations toward the state in a straightforward manner. As a result, many business enterprises and management staffs have now come to understand that the party's and state's line of restructuring is most correct but only requires practical implementation. At the same time, all participating businessmen have also come to clearly understand their responsibilities in fully and actively fulfilling their obligations toward the state. As for the (?macroeconomic) management sector, it must firmly adhere to the rule by using all three methods in managing the economy so as to maintain the principle of justice and equality before the law and to create favorable conditions for all business enterprises to more greatly expand their business production.

In addition, the conference also asked the Ministry of Economy, Planning, and Finance to rectify certain shortcomings. For example, the enforcement of laws and regulations must operate in a unifying fashion between the private and state sectors. The tax and revenue policy should be made to promote and protect Lao businessmen so that they can become stronger. Attention must be paid to (?penalizing) those who defy the law and intentionally fail to fulfill their obligations toward the state. All this is aimed at making businessmen better fulfill their obligations toward the state.

Philippines

Editorial Examines 'Redefinition' of U.S. Ties

HK0909030392 Manila THE CHRONICLE in English 9 Sep 92 p 4

[Text] The new United States ambassador, Richard Solomon, begins his tour of duty at the crossroads of a new era of U.S.- Philippines relationship. This relationship is being redefined following the rejection of the draft of the military bases agreement that would have extended the lease of the bases and the completion of the withdrawal of American forces and facilities from the Subic naval base by the end of the year. The rejection is a historical landmark, because it terminates nearly a century of strategic military presence of the U.S. in this country. Mr. Solomon arrives also at a time when a new administration is evolving a new matrix of foreign policy, one that seeks to give more diversity to our diplomacy and emphasizes economic power as an instrument of diplomatic goals.

The termination of the bases has produced the benefit of forcing both the U.S., our long-standing main economic, political and security partner in this part of the world, and the Philippines to a more mature basis of relationship no longer characterized by dependence on the U.S. Mr. Solomon's statements recognize this need for redefinition. He stresses two elements.

The first is that, in security terms, U.S. military presence remains in Asia-Pacific region, but no longer anchored on the strategic role of the bases here. He understands the need to clarify the meaning of the Mutual Defense Treaty in the context of the dissolution of the Cold War and the highlighting of new flashpoints in the region, especially the conflict over territorial claims on the Spratlys among China, Vietnam, Malaysia, Taiwan, the Philippines and Brunei.

Mr. Solomon also stresses the role of the U.S. in helping promote conditions that will produce new economic tigers with dynamic economies, and in encouraging the Philippines' entry into that league of economic performers.

In principle, the Ramos administration shares the views about redefinition along these two levels of relationship, and even the nationalist segment concedes that a new basis of relationship be evolved, a relationship that is closer to the goal of a relatively autonomous economy and foreign policy.

There is, however, a contentious difference in approach. Senator Wigberto Tanada, who represents the nationalist point of view and who led the rejectionist cause in the treaty at the Senate, has come around to the view that the termination of the bases need not be the rupture of economic and security relationship.

The difference is that he seeks a treaty that will redefine the relationship, and the new ambassador favors an executive agreement, a view preferred by the Ramos administration, given the difficulties and inflexibility involved in getting Senate approval of a treaty. This issue promises a spirited debate. And so is the issue of access to base facilities at Subic.

It might as well be that as we inaugurate an era of relationship, issues are defined early so we and the U.S. don't waste time skirmishing around peripheral questions and in reducing emotionalism to a minimum. The time for emotional debate is past us. That went with the highly charged emotional debate over the bases treaty to which was poured accumulated grievances over decades of dependency relationship.

Having rejected the treaty, we suppose that we have now acquired more confidence in ourselves, have fewer inferiority complex in dealing with a more powerful partner and have probably been more aware that in negotiating terms of trade and security arrangement we are to be guided by cold reality rather than by emotional heat. In economic terms, for example, the forging of the North American Free Trade Agreement between the U.S., Canada and Mexico, compels us to consider urgently how we can increase our access into that economic bloc, which is composed of the world's richest market.

So, the fact that there is now a more realistic context in which we can redefine our relationship with the U.S. is a good beginning for spelling out its terms.

In terms of security, it is important that it is clear to both ourselves and the U.S. about how the Mutual Defense Treaty will be interpreted in the light of, first, the growing armaments buildup by medium powers in Asia-Pacific; and, second, the Spratly dispute. The dispute is heating up in the clash of Chinese and Vietnamese interests on some of the islands. The Spratlys are not only close to us. Our claim is our window into developing its marine and mineral resources.

Having lost its strategic anchorage at Subic and Clark, the U.S. has scattered its military facilities across the Pacific and has arranged access to facilities in Singapore and other Asean nations. The point concerning us is whether we will allow U.S. access to Subic facilities that can facilitate U.S. security role in the region.

It is important to define what we are to expect from the U.S. under the Mutual Defense Treaty, in particular, whether it would respond to aid us if our territorial claims on the Spratlys are threatened by violent takeovers or aggressive acts. That treaty was framed in the context of the Cold War, in which it could be invoked if we were threatened by aggression by China, and its perceived surrogate at the time, Vietnam. Now the threat has a new face.

Access is different from permanent presence, which is the function performed by Clark and Subic. The question is whether transient or short-term access is acceptable to us or whether it constitutes impairment of national sovereignty.

If we are economically robust, as Singapore is, we should not be worrying too much about the sovereignty aspects because autonomy can be exercised and enjoyed through economic independence and might. If we are economically weak, then we begin to see phantoms lurking in every dark corner of our relationship with the U.S.

It is inevitable that the redefinition of our relationship with the U.S. requires also a redefinition of our concept of nationalism. The concepts that informed our nationalism of the 1950s and 1960s, with their own international and ideological perspectives, are already anachronistic. There is a way to strike a balance between our national interests, in both trade and security, and those of the U.S., and at the same time expand the basis of our relationship with other countries.

Navy Seeking Warships, Weapons From PRC

HK0809031592 Manila MANILA BULLETIN in English 8 Sep 92 p 16

[By Hector M. Saquin]

[Text] With a big bulk of ageing World War II ships and armaments and the dimming prospects of getting replacements from the United States, its traditional sole supplier, the Philippine Navy (PN) has no choice but to "shop around for items to modernize its fleet."

First on its shopping list is Mainland China.

On invitation of the North Industries Corporation (NORINCO), China's state-owned firm manufacturing warships and weaponry, Vice Admiral Mariano J. Dumancas, Jr., PN flag officer in-command, decided to form a technical delegation of two Naval officers and one Marine captain, under Commodore Eduardo T. Domingo, "to find out what modern arms and equipment are available to put our sea-based and land-based forces on world class category."

The suggestion to send the "shopping team" surprisingly came from an Australian who believes that modern China today "has many innovative technologies to offer, having dropped its ancient, old fashioned China-town image and is now clean and modern in every way, including use of science and technology. In fact, to show its predisposition for modernity, China has organized one of its top government units as Department of National Defense Science and Technology (NDST)."

When the Navy delegation arrived in Beijing to start its plant tour of the huge NORINCO premises, it was met by Lt. Gen. Xie Guang who introduced himself as NDST vice secretary. With him was a civilian, identified as Chen Huanquang, deputy general manager of NORINCO, which employs a million men as factory workers.

It took a whole week for the Navy delegation to assess the wide array of weaponry, many items of which are currently being exported to Pakistan, Iraq, Iran, Thailand, and some countries in Africa.

The delegation was given chance to fire various small arms at NORINCO's testing ranges, including pistols, assault rifles, submachine guns, B-40 RPG, multiple rocket launchers, and look through night vision sighting devices.

"China's weapons technology has advanced considerably during recent years as a result of manufacturing ventures with Western countries and the former Soviet Union," it was explained to Commodore Domingo.

"Though some of our weaponry and vehicles are of Soviet design, a blending of Western expertise becomes inevitable with the requirements of users. An example of this is Type 90 tracked armored vehicle which is a copy of the Russian BND infantry fighting vehicle powered by

Mercedes Benz Turbo Diesel engine and armed with a GIAT 25mm gun made in Italy."

Lt. Cdr. Edgar B. Ignacio and Marine Capt. Jonathan C. Martir, the two other members of Commodore Domingo's party, noted that NORINCO is also a shipbuilder, with a shipyard for LSVs.

At the very time Commodore Domingo's shopping party was touring China, that country in turn has sent veterans to the Philippines to negotiate with the Veterans Federation of the Philippines (VFP) for an export-import trading relationship between the veteran groups of both countries. Col. Emmanuel V. de Ocampo, VFP president, considered it timely for the Chinese delegation, headed by Lou Shijie, to come to Manila to sign the contract right in the headquarters of the newly-reopened Philippine Veterans Bank in Makati.

Observers considered it significant that active servicemen and veterans are playing a role in a new economic relationship with Mainland China, with legalization of Communism, an ideology very much feared before, having kept us from dealing with many countries.

Network To Monitor Spratlys Intrusions Authorized

HK0109103492 Manila THE CHRONICLE in English 23 Aug 92 p 13

[By Rodney P. Diola]

[Text] Gen. Lisandro Abadia, Armed Forces chief of staff, ordered yesterday the Air Force and Navy to set up a communications network to monitor intrusions by foreign fishermen, smugglers and pirates into local waters and air space, including the Filipino-held Kalayaan islands in the disputed Spratlys group of islands.

Abadia said the network will be set up pending approval by President Ramos of the Spratlys Defense Plan proposed by Maj. Gen. Epineto Logico, chief of the Palawan Command which has jurisdiction over Kalayaan.

Logico has asked for the deployment of additional troops, aircraft and Navy ships to Palawan and nearby seas.

He has asked that elite troops be deployed to Kalayaan islands which belong to the Spratlys also being claimed by China, Taiwan, Malaysia, Vietnam and Brunei.

Early this month, an Army Special Forces battalion, one of the best AFP [Armed Forces of the Philippines] unit, was fielded in Palawan to reinforce the Marine contingent based in the island.

Foreign Secretary Departs for APEC Forum

HK0909065092 Manila BUSINESS WORLD in English 9 Sep 92 p 12

[By Jose G. Ebro]

[Excerpts] Asian countries will be able to use the Asia-Pacific Economic Cooperation [APEC] forum to link up with the North American Free Trade Area [NAFTA], Foreign Secretary Roberto Romulo said yesterday.

He departs today to attend the 4th APEC Ministerial Meeting in Bangkok.

Mr. Romulo said "the Philippines is fully supportive of Mexico's participation in APEC."

"Mexico is not yet a member but I anticipate her acceptance. Once that occurs, our linkages with NAFTA can be more fully established," he said. Mexico's membership is expected to be formally announced at the Bangkok meeting.

"Of course," Mr. Romulo added, "we have to get our own act in order, accelerate our AFTA (ASEAN Free Trade Agreement) process to realize the benefits."

The Philippine foreign secretary said he was "extremely worried about the emerging implications of NAFTA." Apparently, aside from the diversion of substantial investment flows, there will be significant trade diversion as well down the road, he feared. [passage omitted]

"We have been in touch with our embassies in other APEC member states and we believe that consensus has finally been reached on having Mexico as a member," Mexican envoy Jose Hector Ibarra told Business World in a previous interview.

The original APEC membership of the U.S., Japan, Canada, South Korea, Australia, New Zealand and the six ASEAN countries was recently expanded to include the three Chinese economies—China, Taiwan and Hong Kong. [passage omitted]

Peace, Order Problems Discourage ASEAN Investors

HK0109062592 Manila THE CHRONICLE in English 1 Sep 92 pp 1, 6

[By Johanna Son]

[Excerpt] Businessmen from Asean countries are interested in investing in the Philippines but are apprehensive about the peace and order situation, especially the spate of kidnappings here, Foreign Secretary Roberto Romulo said yesterday.

From talking to businessmen in Thailand, Indonesia and Singapore in his Asean swing last week, Romulo said: "They were convinced that political stability is not the issue."

"What they are bothered about is the peace and order situation," he explained, and quoted some of them as saying they were "worried" about being kidnapped in Manila.

Kidnappings have hogged the front pages recently, although most of them targeting local and not foreign businessmen.

"The sense I get in visiting the three countries is a climate of interest as far as Philippine investment. Overall, there seems to be a climate of interest as far as Philippine investment opportunities are concerned," he told reporters.

Thus, he said he hoped the problem of kidnappings, which has been a focus of attention by the Presidential Anti-Crime Commission, would be "resolved" soon.

Romulo said he had relayed to President Ramos the concerns of Asean businessmen, and Mr. Ramos "fully understands the nature of that challenge."

Still, Thailand had expressed interest in investing in Subic, and Romulo quoted Amanay Viravan of Bangkok Bank as conveying the same interest. Earlier, Singapore's Keppel said it was also interested in investing in the planned Subic economic zone. [passage omitted]

Defense Secretary Vows To Support Peace Efforts

HK0909025292 Manila MANILA BULLETIN in English 9 Sep 92 pp 1, 20

[By Aris R. Ilagan—italicized passage published in Tagalog]

[Text] Defense Secretary Renato S. de Villa said yesterday that the ongoing reconciliation efforts of the government with communist insurgents has the support of the entire military establishment.

"Before I recommended certain matters to the President, we consulted the military about this. We have consulted the police. The two armed forces of the government have been consulted and we have the support of the leadership structure of both organizations," De Villa said.

The defense chief said that there is a "brighter chance" in President Ramos' reconciliation efforts than the November, 1986, peace negotiations under the Aquino administration.

De Villa cited the following factors:

—The present government leaders are now very much more in control of the situation that they can afford to take certain risks.

—The downfall of the communist ideology in many parts of the world, particularly in Eastern Europe.

—Many Filipino people are talking about peace.

De Villa also cited the challenge the peace efforts are giving the citizenry now that the country is in shambles.

Meanwhile, former National Democratic Front (NDF) spokesman Satur C. Ocampo cautioned government leaders against the undue intervention of some individuals in the proposed peace negotiations in efforts to sabotage the integrated approach to solve the communist insurgency and military rebellion in the country.

"*(Now that the government and AFP [Armed Forces of the Philippines] officials have recognized the importance of the peace negotiations, I just hope that they will not be influenced by meddlers and other obstacles in this process which we are all hoping to materialize,*" Ocampo said during a television forum late Thursday [3 September] night.

Ocampo said that the government and the NDF should both give their best to attain a lasting solution to the rebellion problem.

Ocampo said that he is willing to set aside his personal gripes against military torturers during his ten years in prison and cooperate in the government's reconciliation moves for the sake of national harmony.

Ocampo, who was released from military detention last Sept 1 [date as published], said that the renewed efforts of the government to initiate formal talks with the communist insurgents can may result in a long lasting solution to the armed conflicts among Filipinos.

Ramos Criticized for Rejecting Cease-Fire

HK0209040092 Manila THE CHRONICLE in English 1 Sep 92 p 4

[Editorial: "Warped in the Cold War"]

[Text] President Ramos has doused cold water on a proposal calling for a unilateral ceasefire by the armed forces as a confidence building step leading to negotiations for a political settlement of the communist insurgency. He argues that in the past, ceasefires had "a way of being broken," citing breaches on the truce during the 60 days between December 1986 and January 1987, when the Aquino administration launched its big peace initiative.

The President's views reflect those of the defense secretary, General Renato de Villa, who said that a ceasefire "could be exploited by the rebels to strengthen their decimated ranks." Their position represents a division between the orthodoxy dearly, or even blindly, held by the military mind and the more concessional view held by civil-oriented officials, including the secretary of justice, Franklin Drilon, and a number of senators, including Senator Wigberto Tanada and even Senator Rodolfo Biazon.

The tensions produced by these clashing views underlie the debate over how much further the government will demonstrate its good faith, without weakening its hands in the political negotiations. In this debate, we are afraid, the conservative view has prevailed, but this view is flawed because it is based on objective conditions of 1986-87. Things have changed radically since the failed ceasefire; for example, the Berlin Wall had not gone down, and the international communist movement had not collapsed in Eastern Europe. This means that President Ramos and General de Villa are terribly encased in a time warp that inhibits them from considering that the risks of a unilateral ceasefire are as not as great as they were six years ago.

We have to admit that the government has travelled some distance in creating a confidence building climate. It has sought the repeal of the Anti-Subversion Act as a step towards legalizing the Communist Party, it is considering an amnesty for the rebels, and it has released on bail a significant number of senior National Democratic Front [NDF] and party leaders and cadres, including Satur Ocampo, the NDF's negotiator in 1986-87, and Rodolfo Kintanar, chief of the New People's Army [NPA]. The NDF representation in exile, in Utrecht, has demanded the release of 600 leftist rebels as further evidence of confidence building, a number which the military claims is exaggerated. This is not the most important point.

However, the key to unlocking the impasse is the ceasefire. Since 1987, the NDF has been significantly weakened, partly as a result of domestic developments which have strengthened the civil society against threats of both the left and the right, and partly by international events which destroyed the coherence of the international communist movement.

From most evidence, the military capability of the NPA has been reduced, such that, as an expression of confidence, the armed forces have shifted their attention to external defense away from domestic peacekeeping, a responsibility now handed over [to] the Philippine National Police. The insurgency is now operating on a position of relative weakness; and if this argument is persuasive enough, it means that it is not in the interests of the Communist movement to breach ceasefires, not only because of its reduced armed capability, but also because its members can have the opportunity to function within the system to work for reform on social issues that, in the first place, have been responsible for the festering of social unrest for more than half a century.

In the history of ceasefires in conflicts anywhere, they are more likely to be broken if both sides perceive that they are evenly matched or that the balance of forces is not too one sided. The government should not derive inspiration from the Nixon tactics, during the prolonged negotiations with Hanoi over ceasefires in Indo-China, in which the U.S. bombed Vietnam and Cambodia heavily to bring the North Vietnamese to the negotiations table in Paris. The idea behind two-track strategy of talks and bomb was to strengthen the U.S. position in the Paris talks.

Historical evidence shows that this helped send Hanoi to the Paris talks, although not on bended knees, but the consequences of the bombing were unacceptable. It reduced a large part of Vietnam and Cambodia into wastelands, their vegetation defoliated by toxic components of the bomb. Cambodia has not recovered politically and economically from this devastation, whose tactical objective was to strengthen the U.S.'s hands in the Paris talks. It aided the rise to power of the Khmer Rouge and their seizure of Phnom Penh in the 1970s. In the end, the U.S. was driven out of Vietnam by the liberation forces, and lost the war, humiliated by a peasant revolution.

Apparently, this talk and bomb tactics are not lost on the President and General de Villa. But they are deriving the wrong lessons from the U.S. failure in Vietnam. Given the balance of forces, in which the government has a clear advantage in negotiating terms, there is absolutely no need to overplay its military card in talk and total war approach. The refusal to declare a unilateral ceasefire discloses lack of confidence by the government in its increased capacity to handle the insurgency. The government should not magnify the risks on the basis of an old context that has greatly changed.

Army Denies 'Massive' Anti-Insurgency Offensives

HK0909072392 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 9 Sep 92

[By Claude Vitug]

[Text] Colonel Alfonso Dagudag, Philippine Army [PA] spokesman, denied reports that the Armed Forces of the Philippines [AFP] continues to conduct armed offensives against communist insurgents. Dagudag's statement follows pronouncements from Jose Maria Sison, Communist Party of the Philippines chairman, saying the New People's Army should continue their battle against the AFP because of the military's ongoing massive offensives.

Dagudag said the AFP's current operations could hardly be called armed offensives, since they are merely standard PA security operations. He said there is a very big difference between their current operations and the alleged mass offensives by the AFP.

Standard security operations, according to Dagudag, are conducted merely to maintain peace and order within a certain area of responsibility. These operations only involve going after armed groups terrorizing the area and groups of former communist rebels turned bandits who ambush AFP units and extort revolutionary taxes from the people.

Dagudag said that, in general, the AFP and the PA have long ceased conducting massive offensives, which require a large number of men and a definite area of attack, and now conduct only standard security operations.

Formation of Auxiliary Police Force Approved

HK0209025792 Manila THE CHRONICLE in English 2 Sep 92 p 1

[Text] Police and legal government officials yesterday agreed to create a new group of law enforcers that would help regular policemen deal with peace and order problems in Metro Manila.

The decision to create the Auxiliary Police Force, or APF, came amid strong criticisms against the Philippine National Police (PNP) whose director general, General Cesar Nazareno, had been relieved by President Ramos following allegation that ranking PNP men were involved in criminal syndicates.

A resolution creating the APF was signed by officials of the PNP, Department of Interior and Local Governments [DILG], National Police Commission [Napolcom], and mayors under the Metro Manila Authority.

Under the resolution, APF members will be empowered to "undertake citizen arrests, as defined under existing laws, and surveillance operations against suspicious persons."

They will be authorized to carry firearms, "but only during their tour of duty and when in uniform (after which) they are required to turn over the firearms to an accountable supply officer."

APF units will be encouraged to make "lateral coordination and cooperation" with each other during operations, the resolution said.

DILG Secretary Rafael Alunan III said the mayors would have the power to recruit APF members in their areas and "have administrative supervision and control over them."

APF men, he said, will undergo a basic training program to be prescribed by the PNP and funded by local government units. The training will include laws affecting police functions, value orientation and inter-personal relations.

Salaries, allowances and other benefits granted to APF men will not exceed those given to regular policemen.

The Napolcom will conduct a regular evaluation of the performance of each APF unit and recommend dismissal of its members. The Napolcom may also terminate any APF unit that abuses its powers.

The resolution said candidates to the APF "must be at least third-year college students, or had taken 72 units in college; has no derogatory record, and must not have been convicted of any criminal offense."

Aside from augmenting police patrol teams in Metro Manila, PNP acting Director General Raul Imperial said the APF would also help in attaining the desired ratio of one policeman for every 500 citizens.

He said the APF would assist the PNP in relief and rescue operations, emergency assistance to police operations, and crowd control.

The new force, however, immediately drew strong criticisms from two senators and a leading human-rights group.

"It looks like another vigilante force," said lawyer Cecilia Jimenez, deputy secretary general of the Philippine Alliance of Human Rights Advocates (Pahra).

Jimenez said the APF sounded similar to the secret marshalls and vigilante groups, such as Alsa Masa [Mass Uprising] and Nakasaka [People United for Peace] which were widely criticized for human rights violations during the reign of the late dictator, Ferdinand Marcos.

She said her group would look into the legality of the APF's creation to determine whether the resolution approved by police and local government officials had legal basis.

Senator Rodolfo Biazon, a former chief of staff of the Armed Forces, expressed fear that the creation of the APF would mean the "resugence of private armies" under the control of local officials.

Senator Orlando Mercado, chairman of the Senate defense and national security committee, shared Biazon's view, adding that government authorities should instead focus on regaining the public trust and confidence in the police.

But Imperial vowed that any breach of discipline by APF men would be dealt with swiftly by city and town mayors.

Imperial at the same time issued a seven-point reform program for the PNP in line with the President's order that the 100,000-strong organization be rid of scalawags.

The acting PNP chief said all police personnel from all levels of command would strictly adhere to the following basic guidelines:

—All police actions must be characterized by courtesy and discipline and all citizens must be treated with dignity and respect.

—The ultimate objective must always be for public welfare and not for private interest.

—All police actions must be in accordance with the law. Respect for human rights and other laws must be a prime concern in the exercise of police duties.

—Basic police services must be rendered equitably to all citizens, and police services must not be rendered in exchange for any favor, reward or condition.

Establishment of Force Postponed

HK0409063192 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 4 Sep 92

[Text] Officials from the Department of the Interior and Local Government [DILG], the Philippine National Police [PNP], and metropolitan Manila have agreed to postpone the establishment of the auxiliary police force [APF], to be made up of civilians who will assist regular policemen.

The agreement was reached during a meeting of DILG Secretary Rafael Alunan, PNP Director General Raul Imperial, and metropolitan Manila mayors.

Alunan said the APF's establishment has been postponed due to fears—publicized in newspapers—that local executives would use the APF as their private army. He added that whether APF members should carry firearms is another issue under discussion. Alunan also said that a legal panel will review the guidelines for establishing the APF in metropolitan Manila.

President Ramos had earlier approved the formation of the APF in metropolitan Manila under the PNP's supervision on an experimental basis. Alunan said that, after the review, the guidelines will be resubmitted to Ramos for final approval.

Thailand

Asa on NAM Summit, APEC Meeting, Cambodia

BK0609045092 Bangkok Radio Thailand Network in Thai 0000 GMT 6 Sep 92

[Text] Foreign Minister Asa Sarasin returned from the Nonaligned Movement [NAM] meeting in Indonesia last night. He told reporters upon his arrival at the airport that Thailand participated in the meeting as an observer, which is meant to emphasize the country's roles toward the developing countries in both political and economic fields. Several countries welcomed Thailand's participation in the meeting. Asa also confirmed that Thailand would become a permanent member of NAM in the future. It is the duty of the next government to prepare for the country's readiness to become a member country in the future.

The foreign minister said that he had met with several leaders and ASEAN ministers during the meeting. They discussed the upcoming APEC [Asia-Pacific Economic Cooperation] meeting to be held in Thailand from 10-11 September, especially the issue concerning the establishment of the secretariat of the APEC. Several countries were interested in this issue and expressed their intention to host the APEC secretariat in their countries. Thailand wants the secretariat to be located in one of the ASEAN countries, or if possible, be set up in Thailand.

Asked whether the Cambodian issue was discussed during his trip, the foreign minister said that the problem was one of the issues raised during the meeting. He had met with Prince Sihanouk and leaders of other Khmer factions. To help restore peace in Cambodia is a main target of Thailand because this problem has great impact on Thailand. However, the Khmer factions have to make their own decision on the Cambodian issue and reach understanding among themselves within the framework of the Paris peace accord.

Asa Discusses Cambodia; Meets 'Arafat

BK0509061992 Bangkok THE NATION in English 5 Sep 92 p A2

[By Kawi Chongkitthawon]

[Text] Jakarta—Thailand would consider a request from the Palestinian Liberation Organization (PLO) to open an office in Bangkok, Foreign Minister Asa Sarasin told PLO leader Yasir 'Arafat here last night.

Asa said that 'Arafat welcomed Thailand to the Nonaligned Movement and urged that it become a full member.

During the 30-minute talk, 'Arafat briefed Asa on the Middle East talks and the PLO desire to establish trade relations with Thailand.

'Arafat told Asa the PLO has either embassies or missions in most countries in Asia.

At the end of 1990, when Chatchai Chunhawan was prime minister, the Foreign Ministry and the National Security Council agreed to allow the PLO to open a representative office in Bangkok.

It was not approved by the Cabinet because of the Iraqi invasion of Kuwait, which the PLO supported.

A Foreign Ministry official was doubtful whether the Anan government would be able to approve the move before its term ends on Sept 13.

Thailand has maintained close diplomatic ties with Israel for decades and has attempted to delay any improvement in ties with the PLO.

The official said 'Arafat's aide Fayed Massuri had tried for days to arrange the meeting between his leader and Asa to show the PLO's support for Thailand's link with the movement.

Asa said the meeting with 'Arafat was totally unexpected and he was impressed with his diplomatic skill.

A senior Foreign Ministry official said 'Arafat praised Thailand for its ability to remain an independent state. "Thailand can build a country from zero without outside help," 'Arafat was quoted as saying.

On the Cambodian peace process, Asa said the United Nations Transitional Authority in Cambodia (Untac) has to decide whether a joint Thai-Japanese plan and the latest Khmer Rouge proposal are within the framework of the Paris peace agreement.

He said Thailand is trying to help overcome obstacles to the peace process.

"We cannot make a decision. It will depend on the Cambodians and UNTAC," he said after meeting Khmer Rouge leader Khieu Samphan.

In a bid to end the deadlock in implementing the peace agreement, the Thai-Japanese plan took into account concerns raised by the Khmer Rouge, Asa said.

The Khmer Rouge has refused to disarm and join in the second phase of the UN-brokered peace plan.

Thailand and Japan proposed the setting up of an Administrative Consultative Body to strengthen Cambodia's reconciliatory body, the Supreme National Council.

The Khmer Rouge accepted the proposal on condition there be subcommittees to help UNTAC in its mandatory supervision and control of the existing structures of the four warring factions in their controlled zones to ensure transparency of administration.

Phnom Penh has rejected both proposals, saying they violate the Paris peace agreement.

Asa is scheduled to meet Prince Norodom Sihanouk this morning. Earlier, the prince said the election due to be held in Cambodia next year should proceed without the Khmer Rouge if necessary. Sihanouk said if the national government continues to control 85 percent of the territory, it would be able to implement the UN peace plan.

Trade Issues Discussed With Australia

BK0409042392 Bangkok THE NATION in English 4 Sep 92 p B14

[Excerpt] Thailand yesterday asked Australia to exercise more fairness and caution when imposing anti-dumping and countervailing duties [CVD] on Thai products during a Joint Trade Committee meeting.

The Australian proposals focused on opening market access for Australian products in Thailand as well as asking Thailand to grant the job privileges to Australian citizens by proposing an establishment of a Treaty of Amity between Thailand and Australia.

Thai officials said the two sides discussed the methods used by Australia in considering the levies imposed on Thai exports. Anti-dumping and countervailing duties are seen as barriers to bilateral trade between the two countries.

Beginning early this year, Australia started investigating six Thai products on charges of using the anti-dumping and countervailing duties. The products are float glass, canned tomato, high-density polyethelene, polyvinyl chloride, sorbital and tanned leather.

Of the six products, Australia has finalised investigations on two, canned tomato and high density polyethelene. In April Australia announced that it would collect CVD of 3 per cent or A$0.0266 per carton on Thai canned exports, based on information that Thailand subsidises its products by US$0.20 per carton under the Bank of Thailand's packing credit programme. The plan encountered strong opposition from Australian importers. But it has not yet decided what to do with the Thai high-density polyethelene as export volumes of this product were small.

Australian officials, who asked not to be named, said that the Thai officials questioned their Australia counterparts on why the Australian delegations has taken increasing actions against Thai exporters. Australia officials informed the Thai side that the petitions were 'legal' and 'compatible' with the General Agreement on Tariffs and Trade.

Led by the Australian Parliamentary Secretary to the Minister for Foreign Affairs and Trade, Stephen Martin, the Australian delegation at the meeting yesterday included Rick Smith, deputy secretary, John McCarthy, Australian ambassador to Thailand and Peter Bergman, senior trade commissioner of the Embassy. Chare Chutharatkun, director-general of the Foreign Trade Department, led the Thai officials.

Chare said that the Thai and Australian counterparts will also discuss quarantine standards which have hindered Thai condensed milk, poultry, fruit and vegetable to exports to Australia.

John Connor, Australian president of the Australia-Thailand Business Council, said that the Australian private sector also raised the opening of some service sectors such as mining, advertising and architecture to Australian citizens.

"A bilateral treaty of amity may be a solution. It is not simply a matter of having the same advantage as the US. But a number of these areas is everybody's interests," he said.

He cited some limitations under the Thai Alien Business Law which creates problems of foreign ownership in the advertisement and retailing sectors. "We think that the bilateral treaty of amity will, instead, contribute to Thailand's benefits," Connor asserted.

Asked whether Australia has gained privileges under a Treaty of Amity with any other countries, Connor said that in fact, the markets of Australia's major trading partners such as the European Community, Hong Kong and Singapore, are liberal. Hence, such an agreement is not necessary.

"We did not put any objection on the Thai-US Treaty of Amity. I felt that if we cannot achieve a bilateral Treaty of Amity, we might look for another way around," he said.

Connor said that all this while, the bilateral agreement is needed, because "as a private sector, we are very concerned over the outcome the negotiations under the General Agreement on Trade Service (Gats)."

Asked whether the Australian government will impose any retaliatory measures against Thailand if Thailand does not comply with its requirement, an Australian embassy's official said, "We did not discuss that point."

Thailand is now Australia's 19th largest market, while Australia is Thailand's 12th largest market. Last financial year, Australian imports from Thailand rose by 28 per cent and Australian exports rose by 24 per cent over the previous year. [passage omitted]

Candidates on Dealing With May 'Legacy'

BK0609023792 Bangkok THE NATION in English 6 Sep 92 p A1, A2

[Unattributed article: "Dealing With May's Legacy"]

[Text] Three political timebombs remain from the May crisis. How do the leading parties propose to tackle them? THE NATION political reporters put this question to the five premiership candidates.

Four of the leading premiership contenders say their parties will vote against the controversial executive decree which granted a general amnesty for all involved in the May turmoil when the new elected House is formed after next Sunday's poll.

The fifth, Chat Thai leader Pol Gen Praman Adireksan, however, said his party is not paying serious attention to the issue because, according to his interpretation, even if the executive decree would be rejected, the effects of the amnesty cannot be undone.

The five candidates—Chat Phattana leader Gen Chatchai Chunhawan, New Aspiration leader Gen Chawalit Yongchaiyut, Maj Gen Chamlong Simuang of Phalang Tham, Democrat leader Chuan Likphai, and Praman—were also divided in separate interviews with THE NATION over what should happen to the military officers responsible for the bloody suppression of prodemocracy protesters during May 17-20.

They were asked to spell out their positions on three major issues which the next prime minister and his government have to face regarding the May suppression. The other question concerns the long list of those reported missing during the crackdown.

Here is how they responded to the issues:

Executive Decree on General Amnesty: Gen Chatchai, Chawalit Chuan and Chamlong said their parties will reject the decree when it is deliberated by the new House.

Chatchai said Chat Phattana will definitely vote against its passage because there are still widespread doubts as to whether those who committed legal offences during the incident should be brought to trial or not.

Chawalit said his party had made its stand against the decree from the outset by asking the Constitutional Tribunal to rule it unconstitutional. "As a result, our party will certainly follow up on on our firm stand against [the decree's] constitutionality," he says.

Chuan also said the Democrats had raised objection to the decree from the very beginning and after the Sept 13 election, the party will definitely turn it down as a matter of principle—even though its rejection would not undo the effects of the amnesty.

Chamlong said his party will definitely reject it because it benefitted not only pro-democracy protesters but also the officers who ordered their soldiers to gun down demonstrators.

"Although I also benefitted from the decree, we want to set an example that this kind of decree is unacceptable. We want to set a good precedent for the future," he said.

Praman, however, said Chat Thai does not take it seriously because the legal effects of the decree have taken place and cannot be written off if rejected by the House.

"Whether it will pass or not is useless because rejection cannot be retroactive," he says.

Penalty for military officers:

Chatchai indicated his party has no intention to settle scores with the former military leaders accused of ordering excessive use of force to disperse the May demonstrations.

"We won't cross the fallen tree," he said.

Chawalit said some of the military officers responsible for the bloodshed had been removed from their powerful positions, but whether additional reshuffles would be needed or not would depend on an inquiry to determine the exact roles of each officer involved.

"I cannot say right now because I don't know just yet who were assigned to do what duties and what offences they could have possibly committed. I need to study the details, but as a matter of principle, we cannot afford to leave the issue as it is. Those who committed offences must face punishment.

"For an instance, the government and the Armed Forces chief have agreed to remove division commanders who participated in the crackdown but it's merely a rotation to other divisions. But maybe they deserve more drastic action than that. But for now I cannot say anything because the result of an inquiry has to be concluded," he said.

The principle governing the handling of the issue is that justice must be kept, he added.

Chuan emphasized the need for another investigation to bring to a conclusion the accusations against the officers involved.

"An investigation must be conducted by the next administration to identify the wrong doers. The inquiries conducted so far by a Defence Ministry committee and a government-formed panel are only fact-finding, and not an investigation to find out who are the wrong doers. Punishment for the wrong doers will come after the missing, crucial step," he said.

Chuan said the govemment has to settle the issue, whether the decision and moves would be welcome by the public or not.

The matter has to be handled through the legal process, he added.

Chuan said the amnesty decree could not possibly be issued before wrong doers had been detemmined through the legal process.

Chamlong said whether the government would penalize the military officers allegedly responsible for the deaths and injuries of pro- democracy demonstrators would largely depend on the legal implications of the rejection of the executive decree.

"The question is what legal steps we can take after the rejection of the decree. If it turns out that the amnesty for the officers cannot be undone by voting against the executive legislation, then we can't punish them, however hard we try," he said.

"If the wrong doers who killed innocent people can still face legal punishment, then Phalang Tham will certainly get to the bottom of the story in accordance with the legal process. We will not let them get away with it in that case," he said.

Praman said nobody can jump to the conclusion that the military officers were wrong doers.

"Soldiers acted on the orders of their superiors and as a matter of fact they did their duties because some people had defied the government's ban on political rallies. The defiance of the ban led to unrest during which official buildings were set ablaze. We must be fair to all sides," he said.

The Missing People:

Chatchai said if his party came to power, it would set up a committee to trace the missing people.

Chawalit said the first thing the next government had to do is to make the truth known on the exact number of missing people.

"We have to check where they are now. Our party will step up efforts to resolve the issue by setting up special teams to trace them. The mission will be conducted secretly with full support from the government. We will be serious in ensuring fairness to the relatives of the missing people," he added.

Chuan said it is the duty of the present and the next governments to locate the missing people and bring them back to their families if they are still alive.

"The Democrat Party is determined to get to the bottom of the story and we will do it whether we are in govemment or opposition. In fact, all parties concerned must help to locate them. It's the duty of not only the government but all Thai people who happen to get tipoffs on them because the missing people have made their sacrifices in participating in the fight for democracy," he said.

Chamlong said: "We will seriously trace their whereabouts. But we need cooperation and support from all govemment agencies. If we become the government, then [the agencies] would have take the task seriously.

Party Chided for Supporting Nonelected Premier

BK0909103192 Bangkok THAI RAT in Thai
8 Sep 92 p 3

[Editorial: "Only Democracy"]

[Text] "The mob rules over the country's law" is again a major topic for extensive debate, after it was incorporated in the slogan for the election campaign of a political party [Prachakon Thai Party]. In the recent "Mong Tang Mum" [Different Perspectives] talk show televised from the parliament, one of the panelists also raised this topic for discussion.

Claiming to be a conservative group with an election slogan against mob rule, this party refuses to recognize any extraparliamentary activities or means which are designed to bring about political change. Regarding only political activities inside parliament as legal, the party brands the May rally for democracy as the use of "mob rule".

The party claims as legal the nomination of an outsider to be the prime minister after the 22 March general election, as the constitution allows for a nonelected person. They also accuse the anti-premier demonstrators as being the guilty party because they resorted to mob rule. It says other parties once supported the premiership of General Prem Tinsulanon.

This point of view cannot be regarded as wrong. However, it is one-sided. It deliberately overlooks the fact that General Prem Tinsulanon was not one of the engineers of the power seizure and did not strive to keep the power for himself. He was appointed to be the prime minister because political parties were unable to find someone suitable. Unlike General Prem Tinsulanon, General Suchinda Khraprayun was a key plotter of the power seizure on 23 February 1991.

Obviously, any power seizure is the use of mob rule. In all power seizures throughout Thai history, a legitimate government was toppled, the constitution abolished, and parliament dissolved. These were blatant violations of the criminal law. Is it then correct to say that any party or individual who supports a coup plotter to be prime minister is an advocate of mob rule?

There is nothing wrong for the Thai people to have different opinions on various issues. But after the country shifted to the democratic form of administration 60 years ago, Thais, putting aside their differences on other issues, should have developed their political consciousness to the extent that everyone should "want only democracy." They should not be indifferent towards dictatorships.

The general election on 13 September is aimed at returning power to the Thai people in the entire country.

This is so that they can decide to vote for parties with clean records that adhere firmly to the principle of democracy and who detest dictatorship, or for parties with dubious records of corruption, who consider corruption and malfeasance as acceptable practices and who are ready to bow down to dictatorship.

Vietnam

Ministry Spokesman on PRC Ships in Tonkin Gulf

BK0809151892 Hanoi VNA in English 1509 GMT 8 Sep 92

[Quotation marks as received]

[Text] Hanoi VNA Sep. 8—On September 8, in reply to a question of AFP about the latest developments in the Bac Bo (Tonkin) Gulf, whether the two Chinese ships, especially the Nan Hai, have withdrawn from the area and what will be Vietnam's reaction if they are not, the spokesperson of the Vietnamese Foreign Ministry said:

"As far as we know, the Chinese oil drilling ships still remain in the Vietnamese sea in the Bac Bo Gulf.

We have persistently persuaded China to withdraw these ships and asked them in no circumstances whatever to go back on the agreements reached at the summit talks between the two countries and to contribute to peace and stability in the area by concrete actions. China's present actions are causing deep concern not to Vietnam alone.

I take this opportunity to make the following comments on the statement of the spokesman of the Chinese Foreign Ministry on Sept. 5 concerning this issue.

First, the Chinese Foreign Ministry spokesman's allegation that the operations of the Chinese ships took place on the Chinese side of the median line of the Tonkin Gulf and come under the jurisdiction of China are completely groundless because the area in question lies in the sea area under Vietnam's sovereignty only 70 nautical miles from the Vietnamese coast at the closest point. There has been in the Tonkin Gulf nothing like a median line as claimed by China. China cannot unilaterally draw a median line then declare the area under its jurisdiction and conduct oil prospection.

Secondly, the Chinese Foreign Ministry spokesman's statement that the prospection drill conducted by Chinese ships is nothing new but the continuation of the prospection in the recent past serves only to affirm that this violation of Vietnam's sovereignty by China is not a new violation.

Thirdly, Vietnam has long and consistently maintained the policy of settling all disputes through negotiations. However, one cannot create points of dispute in the area under the sovereignty of another country in order to negotiate. The essential is to respect the sovereignty of other countries and create an atmosphere of mutual trust for the negotiations."

Ministry Voices 'Deep Concern' at Iraq Situation

BK0809160192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Sep 92

[Text] On 8 September 1992, in response to a question raised by a VIETNAM NEWS AGENCY [VNA] correspondent concerning the establishment of a no-fly zone in southern Iraq, a spokesperson of our Ministry of Foreign Affairs pointed out: Vietnam expresses deep concern over the situation in southern Iraq. Whatever forms they may take, divisive plots always constitute violations against the sovereignty and territorial integrity of an independent and sovereign country; cause suffering to the people; further aggravate the situation; and pose a danger to peace, security, and stability in the region and other parts of the world.

Commentary on Imposition of No-Fly Zone in Iraq

BK0909105792 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 8 Sep 92

[NHAN DAN 9 Sep commentary: "New Tension in the Gulf"—read by announcer]

[Text] Of late, the mass media have rendered many reports on the establishment of the no-fly zone in southern Iraq by the United States, Britain, and France under the pretext of protecting Shi'ite Muslims in the region.

Since 27 August, British Tornadoes and French Mirages, and dozens of U.S. aircraft from the carrier Independence in the Persian Gulf have flown hundreds of patrol missions over this entire Iraqi airspace. The Pentagon also has a detailed plan to attack various targets and the capital of Baghdad, as well as other Iraqi regions, if Iraq uses force against the no-fly zone.

Washington declared that the flight ban would remain in effect until the U.S. and its allies consider it to be no longer necessary. This event is increasing tension in the Gulf and causing the concern of a broad section of the public.

Iraq has strongly protested against the no-fly zone, considering this an audacious act of aggression against itself and a gross violation of international law and the UN charter.

Although the Gulf war ended more than two years ago, the situation in the Middle East remains unstable. One of the causes of this is that the United States and the West are still maintaining a military presence and are constantly carrying out military activities in the region. One after another, they have sent warplanes and troops into Iraq to establish a zone of protection for the Kurds in the north and a no-fly zone in the south. They, however, have forgotten that this is the territory of Iraq, an independent and sovereign country.

Conflicts among nationalities of different religious sects today do not occur only in Iraq. Moreover, the Iraqi people should be the first to assume the responsibility of solving their own internal conflicts.

It is the desire of the general public to impartially solve these conflicts through negotiations. The use of military force by one country to impose a political solution on the internal problems of another is an act of gross interference.

Is this a no fly-zone or an attempt to prolong the unstable situation in the Gulf?

U.S. Firms 'Taking Small Steps' Toward Trade

BK0909034492 Hanoi Voice of Vietnam in English 1000 GMT 4 Sep 92

[Text] France now ranks third among foreign investors in Vietnam. France has just signed with Vietnam agreements on cooperation in construction, transport, and (?cosmopolitan) services.

Germany, Britain, Italy and Russia have sent several government and commercial delegations to Vietnam to (?look at) business opportunities. This has caused anxiety among American business circles who are opposed to the trade sanctions imposed by Washington. THE ASIAN WALL STREET JOURNAL in the July issue commented: and while the U.S. is using the stick to threaten Vietnam, other countries are offering their carrot to this country. However, the paper says, since early this year some U.S. firms have had initial commercial ties with Vietnam. Many big American firms have a great potential to invest in Vietnam, but on the whole U.S. companies are taking small steps to lay the groundwork, the article said.

Radio Talk Discusses Issue of Human Rights

BK0409061992 Hanoi Voice of Vietnam in English 1000 GMT 28 Sep 92

["Talk of the Week" feature]

[Text] Following developments in the world through different media sources, sometimes you come across news about an intellectual or a religious personality in Vietnam who has been brought to trial for his or her acts in violation of social security. You also hear comments such as: Vietnam violates human rights, there are no human rights in Vietnam. What their purpose is in saying that we won't mention. However, it is a one-sided and subjective viewpoint. It is like looking at a forest and only focusing on the few stunted trees while ignoring the immense growth all around them.

Nearly half a century ago Vietnam was known to many people as a Western country's colony while the Vietnamese people were just enslaved natives. Now the name of Vietnam has been officially written on the world's map and Vietnam has become a sovereign state having diplomatic relations with countries in the five continents. The Vietnamese people have been known to the world through their two wars of resistance for national salvation.

The present renovation process has attracted the attention of the world community. It is safe to say that never before have the Vietnamese society and the Vietnamese people been as dynamic as they are today. The people's right to determine their economic destiny is ensured. The law protects production and commercial activities in the different economic sectors. The open-door democratic atmosphere has greatly influenced all social fields, contributing to the economic renovation process.

Never before have the Vietnamese people had such access to information as they have today, which has helped them improve their cultural life and the nation's integration into the international community. In general the people's lives have been stabilized and improved. A constitution, laws, and legal documents have institutionalized human rights in the fields of politics, civil affairs, economy, culture, education, and society.

Reality has shown that over the last half century the Vietnamese people's human rights have been determined and ensured by certain policies and regulations. However, it is necessary to say that in the process of building a society for the people—a society completely different from its predecessor—shortcomings and even mistakes are unavoidable, but the Communist Party of Vietnam and the Vietnamese state have corrected their mistakes and continue to renovate themselves, all in order to meet people's need for human rights.

Those who take advantage of the present open-door policy and democratic atmosphere in order to destabilize the political situation cause harm to social security and people's rights and are not tolerated by the laws in Vietnam or of other countries.

Party Paper Hails Jakarta Nonaligned Summit

BK0809071592 Hanoi VNA in English 0557 GMT 8 Sep 92

[Text] Hanoi VNA Sept 8—"The success of the Non-Aligned Movement summit conference demonstrates the new vitality of a broad movement involving two thirds of the countries and half of the population in the world which has undergone so many trials during the three decades of its existence," says NHAN DAN in a commentary today.

The paper carries excerpts from the Jakarta Message which streses the joint efforts of non-aligned countries to actively contribute to building a new world order based on international law and the principles of the United Nations Charter.

The paper also quotes the message as highlighting the non-aligned countries' view that at the present juncture, the respect of international law is the foundation of peace and security and that there is no place for the countries which use violence to exercise or to demand the exercise of special rights on territory.

"The Jakarta 10th summit conference is a new landmark in the history of the Non-Aligned Movement, creating a new motive force for the activities of the movement, for the strengthening of its role on the international arena and for the continued advance towards its fundamental objectives namely peace, security, national independence, national sovereignty, cooperation and development," the paper says in conclusion.

Growth in Foreign Investment Examined

BK0909024892 Hanoi Voice of Vietnam in English 1000 GMT 4 Sep 92

[Text] The Law on Foreign Investment in Vietnam issued in 1987 has swung the door of Vietnam open to the outside world. Entrepreneurs from different continents have found their way to Vietnam as a place with a favorable investment environment. Foreign businessmen from Ho Chi Minh City are often surprised at the immense presence of Japanese firms in Vietnam such as Mitsui, Toyota, Sony, Hitachi, Kenwood, Toshiba, and others.

Due to the U.S. trade embargo against Vietnam, Japan's investment in Vietnam only ranks eighth with $150 million, yet Japan is still Vietnam's biggest trade partner. In the coming period many more Japanese companies will do business in Vietnam through the bidding of projects funded by the Japanese government.

Countries from Europe and the Asia-Pacific are trying to increase their presence in order to strengthen their position in this market. Projects to improve infrastructure such as the one to modernize Tan Son Nhat Airport is attracting some substantial potential contributors. The Dutch Government has decided to take initial steps by urging Dutch companies to work out a feasibility study for the construction of this airport.

Do Muoi Leads Delegation on Visit to India

BK0809065792 Hanoi VNA in English 0600 GMT 8 Sep 92

[Text] Hanoi VNA Sept. 8—A high-level delegation of the Vietnamese state led by Do Muoi, general secretary of the Communist Party of Vietnam, left here this morning for an official visit to the Republic of India at the invitation of P.V. Narasimha Rao, president of the National Congress Party (I) and prime minister of India.

The general secretary is accompanied by Nguyen Quyet, vice president of the State Council; Phan Van Khai, Politburo member of the party Central Committee, and permanent vice chairman of the Council of Ministers; Nguyen Dinh Tu, secretary of the party Central Committee, member of the State Council and director of the National Institute of Atomic Energy; Nguyen Manh Cam, member of the party Central Committee, foreign minister and co-chairman of the Vietnam-India Committee for Economic, Scientific and Technical Cooperation; Le Van Triet, member of the party Central Committee and minister of trade and tourism; Tran Lum, member of the party Central Committee and minister of heavy industry; Sr. Lt. Gen. Dao Dinh Luyen, member of the party Central Committee, vice defence minister and chief of the General Staff of the Vietnam People's Army; Ha Nghiep, assistant to the party general secretary; Tran Khai, vice-chairman of the State Planning Committee; Pham Van Chuong, deputy head of the External Relations Commission of the party Central Committee; Pham Van Trong, vice-minister of finance; and Vu Xuan Ang, Vietnamese ambassador to India.

Arrival in New Delhi Reported

BK0809141192 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Sep 92

["Dispatch" from station correspondent Tran Trong Chuy in New Delhi]

[Text] Dear friends: Our country's high-level state delegation led by Comrade General Secretary Do Muoi arrived in the Republic of India today, 8 September, for an official friendship visit at the invitation of His Excellency Narasimha Rao, prime minister of the Republic of India and leader of the Congress-I Party.

At 1100 local time, or 1245 Hanoi time, a special airliner with Comrade General Secretary Do Muoi and his entourage landed at the Palam International Airport in the capital city of New Delhi. The airport was richly decorated with Vietnamese and Indian flags, and with banners bearing Vietnamese and Indian messages warmly welcoming the visit to India by his excellency the general secretary of the Communist Party of Vietnam [CPV].

On behalf of Prime Minister Narasimha Rao, His Excellency Eduardo Faleiro, minister of state in charge of external affairs, and many high-ranking Indian officials were present at the airport to welcome Comrade General Secretary Do Muoi. Many cadres of our embassy in New Delhi were also on hand to welcome Comrade Do Muoi and his entourage.

An official welcoming ceremony with the most distinguished formalities was solemnly held at the Presidential Palace. On its way from the airport to the Presidential Palace, the motorcade passed some major roads richly decorated with many portraits of Comrade General Secretary Do Muoi. As the motorcade stopped at the Presidential Palace, members of a cavalry unit of the Presidential Bodyguard Force, wearing their formal uniforms and holding flags, escorted and guided the delegation to the center of the reviewing stand.

The Presidential Palace's red stone architecture shone brilliantly. The Presidential Palace Square was very cool due to the water from hundreds of fountains. Prime Minister Narashimha Rao, Foreign Minister Eduardo

Faleiro, and many high-ranking Indian officials gave the comrade general secretary a red carpet welcome and guided him to a flat-roofed reviewing stand. A bodyguard was posted on each side of the reviewing stand, which was richly decorated with Vietnamese and Indian flags.

The military band played the Vietnamese and Indian national anthems. Next, a commanding officer introduced himself to Comrade Do Muoi and invited him to review the guard of honor. Comrade Do Muoi shook hands with and thanked the Indian officials and cadres of our embassy on hand to welcome him.

Following the welcoming ceremony, Comrade General Secretary Do Muoi convened a news conference at a flower garden within the Presidential Palace compound to answer questions raised by Indian and foreign newsmen. In response to a question about his impressions on the visit, Comrade General Secretary Do Muoi said:

This is my first visit to India and it takes place at a time when the Indian people have just commemorated their 47th Independence Day anniversary. We would like to convey our warm greetings to Their Excellencies the Indian president, prime minister, and the Indian people.

It can be said that Vietnamese and Indians of many generations have maintained very candid and friendly relations. Our two peoples have achieved solidarity and mutual assistance in each country's cause of national construction and defense. Our two nations are joining hands in the struggle for world peace, national independence, and cooperation among nations. We have always been grateful to the Indian Government and people for their great assistance to the Vietnamese people's cause of national construction and defense over the past many years. At present, our two peoples are continuing to achieve solidarity and mutual assistance to benefit each country's cause of national construction and defense. I would like to wish the Indian people even greater achievements in their task of building India into a unified, prosperous, and modern nation having a suitable role at the United Nations and in the Nonaligned Movement.

Relations With India Viewed

BK0909034292 Hanoi Voice of Vietnam in English 1000 GMT 8 Sep 92

["Excerpts" of 8 September NHAN DAN article "about new developments in the relations" between Vietnam and India]

[Text] This is the first time in eight years a high-level Vietnamese delegation led by the party leader has paid an official friendship visit to India. After the Vietnam visit of Indian President Venkataraman in April 1991, this Indian visit of the Vietnamese party leader will mark a new development in bilateral relations. This is also a new contribution to the common cause of nations for peace, stability, and development in Asia and the Pacific.

Over the past two decades, in the spirit of self-reliance and resilience and with the strength of national integrity, the Indian people have basically pushed back poverty and backwardness and achieved wonderful progress. At present India ranks first among developing countries, with a gross domestic product of $250 billion and export turnover of $20 billion. Every year it produces 180 million tons of food, increasing the gross national product growth rate to 5 percent and export growth rate to 15 percent.

The open door economic reform initiated by the government of Prime Minister Narasimha Rao since July 1991 has made encouraging achievements.

Though thousands of miles far from each other, Vietnam and India have had many similarities and cultural contacts since centuries ago. The time-tested bilateral ties have developed in scope and scale. Bilateral coperation in many fields has brought about effective results.

In the present context, the strengthening of solidarity and cooperation between the two countries is an essential demand. The Vietnamese people are determined, together with the Indian people, to promote bilateral relations to the most comprehensive, effective and qualitative level.

Australia

Argentina Endorses Plan Against U.S. Subsidies

BK0809044692 Melbourne Radio Australia in English 0300 GMT 8 Sep 92

[Text] Argentina has endorsed Australia's plan to make United States wheat subsidies an issue at the next meeting of the GATT, the General Agreement on Tariffs and Trade, later this month. Canada has already contacted Australia, seeking a joint approach to combat the American decision to substantially boost subsidies for wheat exports.

Australia's trade and overseas development minister, John Kerin, says his officials will contact Argentina today to consider a united approach from the three countries. Stuart Heather reports that Argentina has warned that decision on subsidies threatened to deprive it of one of its most important wheat markets in neighboring Brazil.

[Begin Heather recording] The United States offered Brazil half a million tons of the 30 million tons of wheat to be subsidized under the export enhancement program, raising an angry response from Argentina. Brazil, wanting to keep good relations with its neighbor, turned down the offer, but the Menem government in Buenos Aires is still up in arms.

Argentina says subsidies are a significant threat to its commercial interests. It says the United States has lost credibility for proposing the large wheat subsidy, and that Washington has lessened the prospect of achieving a satisfactory agreement this year to the Uruguay round of world trade talks. [end recording]

Cooperation With ROK in Science Industry Agreed

SK0709095992 Seoul YONHAP in English 0751 GMT 7 Sep 92

[Text] Canberra, Sept. 7 (YONHAP)—South Korea and Australia agreed Monday on early establishment of a bilateral science industry program to bring together advanced technology and marketing technique.

Australia agreed to lower its 18 percent to 46 percent customs tariffs on Korean products to 15-37 percent by 1996 and promised a fair investigation into anti-dumping charges against goods from Korea.

The agreements came at the 18th bilateral trade talks, held between Korean Trade and Industry Minister Han Pong-su and Australian Trade and Overseas Development Minister John Kerin.

The science industry program is to cover communications, the environment, science, medical equipment, food processing, electric cars and megatronics, among other things.

The idea is to combine Australia's advanced technology with Korea's manufacturing and marketing techniques, officials said, hopefully easing Korea's difficulty in getting technology transfers from advanced countries.

Han asked that the Australian Government take action to rectify growing trade imbalance in Canberra's favor.

Korea marked 990 million U.S. dollars in exports to, and 3 billion dollars in imports from, Australia last year.

To Australia's strong demand for agricultural market opening, Han explained Korea's domestic situation and said that it was impossible to open markets such as rice and beef.

Han met earlier with Australian Prime Minister Paul Keating and stressed the need for bilateral efforts in developing the Asia- Pacific Economic Cooperation (APEC) in the face of increasing regional economic blocs such as the European Community and the North American Free Trade Agreement.

He is to meet with Foreign Affairs and Trade Minister Gareth Evans on Tuesday for talks on boosting bilateral relations.

Labor Party Elects New South Australian Premier

BK0309061092 Melbourne Radio Australia in English 0500 GMT 3 Sep 92

[Text] South Australia's new premier is Mr. Lynn Arnold. He was elected today at a meeting of the Labor caucus in Adelaide. Mr. Arnold, age 43, was nominated by the former premier, John Bannon, who resigned on Tuesday in the face of criticism over the state bank disaster.

The new deputy premier is Frank Blevins.

Fiji

Government Issues Statement on President's Health

BK0809052492 Melbourne Radio Australia in English 0500 GMT 8 Sep 92

[Text] The Fiji Government says the country's seriously ill president, Ratu Sir Penaia Ganilau, is showing encouraging signs of improvement. A government statement said that this was the assessment of specialists treating the president at a medical center in Washington.

Ratu Penaia, who suffered from a blood disease for several years, was flown to Washington from Suva on Friday aboard an American military plane. Medical complications have arisen from a viral infection, including partial loss of the use of his limbs.

In the middle of last week, Ratu Penaia was unable to communicate and his condition was listed as critical, but the statement said the president was now able to speak.

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